

**Set High U.S. Mother Teresa**  
President Ronald Reagan has named Mother Teresa, the Albanian nun and humanitarian, as the first recipient of the Presidential Medal of Freedom, the nation's highest civilian award. The ceremony will be held on May 23. The award was presented to her on May 23. The award was presented to her on May 23. The award was presented to her on May 23.

The Global Newspaper  
Printed and Published in Paris, London, Zurich, Hong Kong, Singapore, The Hague and Marseille

# Herald Tribune

Algeria	6.00 Dhs	Israel	15.00 NIS	Norway	7.00 NOK
Australia	2.00 A\$	Italy	1,000 Lira	Denmark	8.00 Dkr
Belgium	40 Bfr	Japan	400 Yr	Portugal	200 Esc
Canada	1.00 C\$	South Korea	100 Won	Spain	166 Ptas
Czechoslovakia	20.00 Kcs	Taiwan	100 N.T.S.	Sweden	6.00 Skr
France	6.50 FF	Thailand	100 Baht	Switzerland	7.20 Fr
Germany	3.00 DM	USSR	1 Ruble	West Germany	3.00 DM
Greece	200 Dr	Yugoslavia	100 Dina		
Holland	2.00 Gld				
India	100 Rupee				
Iran	100 Rials				

Published With The New York Times and The Washington Post  
No. 31,769  
ZURICH, THURSDAY, APRIL 11, 1985  
ESTABLISHED 1887

## U.S. Reacts to Japan Initiative With Doubts, Guarded Praise

**WASHINGTON**—U.S. industry and government representatives have reacted coolly and skeptically to initiatives by Japan to open its markets to more foreign products while the White House praised Prime Minister Yasuhiro Nakasone for his "courageous" moves.

In Tokyo, Japanese business leaders reacted positively to the market-opening measures but said they would not be sufficient to eliminate tensions with the United States. The Washington Post reported.

Yoshihiro Inayama, chairman of the Federation of Economic Organizations, or Keidanren, was quoted as praising the prime minister for taking the lead in opening the Japanese market wider. Spokesmen for the plywood industry, however, were strongly critical of the package. It supports eventual cuts in tariffs that protect the troubled industry.

Mr. Nakasone was reported Wednesday to be moving to establish a special task force within the cabinet secretariat to implement the program.

In a television address Tuesday, Mr. Nakasone announced a three-year program to open Japanese domestic markets and urged Japanese to buy more American goods. The package is the seventh Japanese market-opening program since 1981. Over this period the U.S. deficit with Japan has more than doubled, from \$16 billion in 1981 to nearly \$37 billion in 1984.

Key members of Congress said they did not expect the measures to deflect Congress from enacting retaliatory legislation.

"Much as I admire the prime minister, and his heart is in the right place, our patience has worn beyond the breaking point," said Senator Bob Packwood, Republican of Oregon, who is chairman of the Senate Finance Committee. Mr. Packwood emphasized that



Mikhail S. Gorbachev, right, welcomed Representative Thomas P. O'Neill, the head of a U.S. delegation, to talks at the Kremlin on Wednesday. At center is an interpreter.

## U.S. to Consider Aiding Guerrillas In Cambodia

**WASHINGTON**—The Reagan administration, in a policy shift, has declared that it would no longer rule out supplying U.S. military assistance to the two non-Communist Cambodian guerrilla groups.

The new policy, which was expected to be discussed by Secretary of State George P. Shultz with leaders of the two guerrilla groups Wednesday, marks a departure from the hands-off U.S. military policy toward Indochina.

A State Department official, in an authorized statement, said Tuesday that although the administration felt the Cambodian insurgents now had sufficient arms, "we do not think it is wise to forgo having flexibility on this point should circumstances change."

Another State Department official said: "We are not ruling military aid out if it would be the difference in enabling the resistance to sustain itself. But there is no indication that we are close to that point now."

State Department officials added that the United States still believed that primary aid for the insurgents should come from others.

Since President Ronald Reagan took office in 1981, the administration has repeatedly rejected appeals for military aid from Son Sann and Prince Norodom Sihanouk, the leaders of the two non-Communist guerrilla groups.

But last Wednesday, the House Foreign Affairs Committee, by a vote of 24 to 9, approved a \$5-million authorization to the two groups as part of the overall \$14.5-billion foreign-aid bill for the 1986 fiscal year. The money would be funneled to the Cambodian groups by Thailand. The bill must pass the full House and Senate and have a matching appropriations grant.

In response to what administration officials called a new mood in Congress in favor of military aid to the non-Communist insurgents, and its own declared policy of aid to insurgents in Nicaragua and Afghanistan, the administration altered its policy.

There are three Cambodian groups in opposition to the Vietnamese occupation of Cambodia and to the government in Phnom Penh set up by the Vietnamese after their invasion in 1978.

The most prominent and best trained is the Khmer Rouge, led by Pol Pot, the former Communist leader of Cambodia. Pol Pot has been accused of being responsible for the deaths of more than two million Cambodians from 1975 until the Khmer Rouge were forced into guerrilla warfare in 1978. The Khmer Rouge, said to number 35,000 men, receives its military aid from China.

The second-largest group is the Khmer People's National Liberation Front, led by Son Sann, which has 17,000 guerrillas. The third group is led by the former Cambodian chief of state, Prince Norodom Sihanouk, and has 8,000 rebel soldiers.

The Son Sann and Sihanouk groups have both received aid from China, Thailand and Singapore, but less than that given to the Khmer Rouge.

Son Sann and Prince Sihanouk's son, Prince Norodom Ranariddh, arrived in Washington on Monday and held talks at the State Department on Tuesday. They were to meet with Mr. Shultz on Wednesday.

The administration had previously opposed giving military aid to the Son Sann and Sihanouk forces on several grounds. State Department officials said:

One was a belief that neither of those groups was able to fight well and, if given arms, would likely be destroyed by the Vietnamese.

Another factor, officials said, was that members of the Association of Southeast Asian Nations were taking the lead in Indochina and that it would be wrong for the United States to become directly involved in military aid, since it could weaken support for the Cambodian resistance in Third World countries and make it into a Vietnamese-American issue, rather than a Vietnamese-ASEAN one.

The ASEAN members are Indonesia, the Philippines, Singapore, Malaysia, Thailand and Brunei.

A third factor, officials said, was that Congress was deemed unlikely to want to resume military aid to Indochina, given its refusal of additional aid to South Vietnam and (Continued on Page 2, Col. 4)

## U.S. Warns of Backlash To Stymied Trade Talks

**By Axel Krause**  
*International Herald Tribune*

**PARIS**—William E. Brock, the U.S. trade representative, warned Wednesday that if his country's main trading partners do not agree to start negotiations on liberalizing trade early in 1986, it could trigger protectionist measures in Congress.

He said that, in the absence of an agreement, the Reagan administration would be forced to start negotiations with any government that wanted to participate.

"We will be in negotiation next year with whoever wants to participate," Mr. Brock said, adding that the administration would move ahead with other U.S. trading partners on a bilateral, or some other, expanded basis.

Mr. Brock's renewed call for the negotiations, made at a meeting of businessmen in Paris, was expected to be one of several issues on the agenda of the annual two-day ministerial meeting of the Organization for Economic Cooperation and Development, which begins Thursday in Paris. Attending will be officials from the agency's 24 member countries, including Mr. Brock.

He said preparations for the meeting were continuing and that he hoped negotiations would begin in January or February under the auspices of the General Agreement on Tariffs and Trade, the Geneva-based agency that includes about 90 nations.

However, Willy de Clercq, the European Community commissioner in charge of external relations (Continued on Page 2, Col. 6)



William E. Brock

## O'Neill Gives Message From Reagan To Gorbachev at Kremlin Meeting

**MOSCOW**—Thomas P. O'Neill, the speaker of the U.S. House of Representatives, met Wednesday with Mikhail S. Gorbachev and delivered a personal letter from President Ronald Reagan.

Mr. O'Neill said that he was "tremendously impressed" with the Soviet leader but added that he perceived no major Soviet policy changes.

Mr. O'Neill, who is heading a congressional delegation to the Soviet Union, said that Mr. Gorbachev read the letter from Mr. Reagan at the start of the meeting, which lasted almost four hours. The letter apparently contained little new, however, because Mr. Gorbachev expressed hope for a reply to an earlier letter he sent Mr. Reagan.

In Washington, U.S. officials confirmed that Secretary of State George P. Shultz and Andrei A. Gromyko, the Soviet foreign minister, would meet in Vienna on May 14. They are expected to have preliminary discussions on the proposed summit meeting Mr. Reagan and Mr. Gorbachev. No date has been set for the Reagan-Gorbachev meeting.

"We have discussed a wide range of issues in a direct and frank manner," Mr. O'Neill said. "These exchanges over arms control, trade, human rights and regional issues."

Dutch-Soviet talks fail to alter decision of the Netherlands on NATO missiles. Page 2.

Highlighted many significant differences between our members and their officials on these issues," he said.

"We did not hear any major changes in Soviet policy with respect to these issues," Mr. O'Neill said.

Tass said that Mr. Gorbachev told the U.S. delegation that "the difference in the social systems, in the ideology of our countries is no cause for curtailing relations, much less kindling hatred."

Accompanying the Massachusetts Democrat on Wednesday were Rep. Robert H. Michel, of Illinois, the House Republican leader; Representative Silvio O. Conte, Republican of Massachusetts; and Representative Dan Rostenkowski, Democrat of Illinois.

Mr. O'Neill, described the Soviet leader as a formidable opponent.

"About his ability, his talents, his frankness, his openness, I was tremendously impressed," he said. "There is no question that he is a master of words, a master in the art of politics and diplomacy."

His statements were similar in tone to Mr. Reagan's long-held view of summit meetings with the Soviet Union, a view that the president had appeared to be moving away from after he sent the Soviet leader a letter last month proposing a meeting. After Vice President George Bush delivered the letter, White House officials suggested that the president might be willing to meet Gorbachev without an agenda.

## Secret Study Says Poles View Regime as Inept

**By Robert Gillette**  
*Los Angeles Times Service*

**WARSAW**—An internal study by the Polish government says that after nearly four years in power, General Wojciech Jaruzelski's regime suffers from poor credibility and an image of ineptness, in the eyes of the public, with perceptions of a lack of clarity in its policies, and that it faces political "dangers" from virtually every sector of Polish society.

The study contends that organized opposition by the outlawed Solidarity trade union and other groups is weakening and that Solidarity is now "fighting for its existence," although it still poses myriad threats to the regime.

But the report portrays the Roman Catholic Church and Poland's independent-minded artistic and academic communities as sided with committed opponents who are fomenting "ideological and political chaos" throughout the country. It says church-state relations should be "reassessed" and calls for the use of financial pressure on intellectuals to compel their obedience to the state.

In addition, both the new official trade unions and a broad-based political organization named the Patriotic Front for National Rebirth, which the government set up in 1981 as a channel of communication between state and society, are said to be in danger of stagnation because neither the public nor large elements of the state bureaucracy take them sufficiently seriously.

The 25-page report, "Dangers in the Social-Political Sphere in 1985," was stamped "Confidential." It was issued in numbered copies for discussion at the March 22 meeting of the Council of Ministers, the Polish cabinet. A copy was obtained by the Los Angeles Times.

The report enumerates a discouraging list of perceived threats to the regime's efforts to expand its influence over Polish society, from wayward youth and resentful workers to anti-Communist clerics and intellectuals to subversive foreign radio stations that feed the nation's discontent. Not least among the regime's problems, the report says, is a lack of clarity, and sometimes reality, in its own pronouncements.

Singling out credibility as the major hurdle, the report blames the "insufficient growth of confidence in the regime and its credibility" on what it calls the "relatively low" (Continued on Page 2, Col. 3)



HANGING IN THERE — Danes in the town of Aarhus hanged Prime Minister Poul Schluter in effigy Wednesday during another nationwide strike against a 2-percent ceiling on wage increases in both public and private sectors. But Mr. Schluter stood firm. Page 2.

## A Monopoly on National Security

**Despite U.S. Probe, Arms Maker Won More Contracts**

**By Michael Weisskopf**  
*Washington Post Service*

**WASHINGTON**—During the eight months that the Pentagon has been investigating charges of corrupt practices by General Dynamics Corp., it has awarded \$5 billion in business to the weapons manufacturer.

That apparently contradictory practice illustrates the limits of any Pentagon effort to discipline a contractor that holds exclusive contracts to produce strategically important military equipment.

Pentagon officials said they have little choice but to deal with General Dynamics, despite charges that it has improperly billed the government for a range of expenses, including kennel fees for an executive's dog. As the largest U.S. military contractor, General Dynamics is the only supplier of such mainstays of the U.S. arsenal as the Trident nuclear submarine, the F-16 fighter and the M-1 tank.

Critics contend that the fault is the Pentagon's because it allows major arms makers to become monopoly suppliers of weapons deemed vital to national security.

"General Dynamics has a stranglehold on the government," said Representative John D. Dingell, Democrat of Michigan. "The Pentagon can't ensure that normal contract procedures are observed when it totally relies on the company for weapons that are necessary for national defense. There appears to be literally no government control."

Two recent Defense Department moves underline the difficulty of reigning in powerful contractors:

● Last week, the Pentagon announced plans to recover \$124 million in excess overhead payments made to General Dynamics in the past 12 years. Company officials had acknowledged improperly billing the government for liquor, country club dues, a chili cooking contest, personal travel and entertainment.

● In the month that it took auditors to uncover the overpayments, however, General Dynamics won \$544 million in new military work. On March 22, the Pentagon banned General Electric Co. from obtaining new military contracts pending resolution of an indictment charging it with filing false claims for labor payments on a missile warhead commissioned by the air force.

But officials concede privately that the ban will not cover militarily critical equipment of which GE is the sole supplier. Such equipment makes up the vast majority of GE's more than \$5 billion in annual military work.

Mr. Dingell, chairman of the House Energy and Commerce oversight and investigations subcommittee, said he believed that the most effective penalty would be to break up monopoly supply arrangements and to sever contracts with companies that overbill.

In July, he urged that General Dynamics be replaced as the navy's contractor for \$5 billion in work on two nuclear submarines following reports that the company had given earnings worth \$1.125 to the wife of Admiral Hyman G. Rickover. The admiral, now retired, had overseen the submarine contracts at the company's Electric Boat shipyard.

A clause in the contracts provides for termination if the contractor is found to have given gratuities to government employees in pursuit of favorable treatment.

The navy began an investigation of General Dynamics in August and set up a special Gratuities Board to examine the case. As its investigators examined the company's record, the navy not only retained General Dynamics as its contractor for the Trident and SSN-688 submarines, it also awarded \$450 million in business (Continued on Page 3, Col. 2)

## INSIDE

■ The trial in Taipei did not address the key issue: Why was Henry Lai murdered? Page 3.

■ U.S. newspaper editors are dismayed at a court's reinstatement of a libel verdict. Page 3.

■ At least 20 villagers in El Salvador were slain by rebels disguised as soldiers. Page 6.

**BUSINESS/FINANCE**

■ Carl C. Icahn and a group of investors bid for control of Uniray Inc. Page 9.

■ Crude oil production hovered just below the OPEC ceiling in the first quarter. Page 9.

**TOMORROW**

Christopher Reeve has moved from the mixed blessing of playing Superman to portraying Henry James heroes. Mary Blume reports in Weekend.

Rashid Karami will buy-cott Lebanese cabinet meetings to protest sectarian fighting. Page 2.

## Middle Class Takes Flight as Gentrification Alters San Francisco

**By Dan Morain**  
*Los Angeles Times Service*

**SAN FRANCISCO**—After living 35 years in the same North Beach apartment, Frances Brandolino and her husband discovered there was no longer room for them in this city.

A group of lawyers bought the 17-unit Victorian building in which they lived to convert into offices. Unable to find a place they could afford in San Francisco, the Brandolinos ended up in the suburb of Brisbane, where the \$500-a-month rent still is more than twice what it was in the rent-controlled North Beach apartment.

It's not that the family is poor. Mrs. Brandolino, 62, part owner of a small North Beach hamburger stand, and her husband, a printer, earn about \$30,000 a year. But the family simply could not afford apartments that in North Beach go for \$900 or \$1,000 a month," she said.

The Brandolino's story is being repeated throughout San Francisco, where a decade-long building boom has transformed the city's skyline and its population.

One example is Brandolino's old neighborhood, once a thriving Italian district, later an enclave for beatniks, now home to chic restaurants, high-rent apartments and increasing numbers of offices.

In short, San Francisco has become perhaps the most gentrified large city in the nation. Districts that a decade ago were blue collar are now ghettos for young urban professionals, who have spawned a consumption-oriented economy in which one highly successful new chain store mass-markets croissants through a sort of Yippie version of doughnut shops.

The change has created a new vocabulary: yuppification, croissantification, Manhattanization. The city planning director, Dean Macris, calls it the "boutiquing of San Francisco."

Whatever its name, its result is spiraling housing costs, traffic-clogged streets, an exodus of middle class and poor families, and declining black and hispanic populations. The trend seems certain to continue despite a new effort by the city to limit growth, restrain housing costs and preserve neighborhoods.

Some social scientists call San Francisco the "archetypal post-industrial city," one with an economy based not on steel plants or breweries, but on silicon chips, corporate headquarters, international trade, banking, law. And its residents reflect that.

Several other big cities—Boston and Philadelphia, among them—are experiencing similar changes.

(Continued on Page 2, Col. 3)



Victorian town houses in Alamo Square in the western district of San Francisco. The average price of housing in the city is \$129,000—the highest in the United States.

## Karami, in Protest Of Violence, Plans To Boycott Cabinet

BEIRUT — Prime Minister Rashid Karami, angered by continued fighting in the southern port city of Sidon, said Wednesday he will not attend cabinet meetings until previous resolutions to end the conflict between Christians and Moslems are implemented.

Mr. Karami said this did not mean he had resigned from Lebanon's 11-month-old coalition government.

Shortly afterward, Salim al-Hoss, a former prime minister who is the education minister, said he was in "full solidarity and complete agreement" with Mr. Karami.

The minister of tourism, Walid Jumblatt, and the minister of justice, Nabih Berri, have boycotted cabinet meetings since the beginning of this year. Political sources said that Mr. Karami's move could lead to the collapse of the Syrian-engineered Christian-Moslem coalition.

"Things are falling apart, and fast," said one government source, who declined to be named.

Mr. Karami's decision, which was seen by some political sources as an attempt to pressure his Christian and Moslem colleagues into greater flexibility, coincided with continued heavy fighting in Sidon between Christian militias and Palestinian-backed Moslem forces, and reports of an Israeli naval attack on targets around the city.

Independent confirmation of the naval attack could not be made immediately, but in Beirut the state-run radio, quoting "reports from the region," said that Israeli gunboats had fired on the Christian village of Maghdoushe, the Moslem village of Ghazieh, and the Palestinian camp of Ain el Helweh.

Police said Wednesday's fighting in Sidon killed at least one person and wounded 14 others.

The Lebanese cabinet decided to dispatch more troops to Sidon to help end the fighting, but these troops were unable to get to the city because of inadequate equipment and objections by Mr. Berri to the use of government troops in Sidon.

In another development, a senior Israeli official said Wednesday in Jerusalem that UN peacekeeping forces in southern Lebanon apparently will remain in their present positions for another six months.

This assessment came a day after the Israelis were briefed by the un-

dersecretary-general of the United Nations, Brian E. Urquhart, on his meetings with Syrian and Lebanese leaders on extending the mandate of the UN forces. It is due to expire April 18.

**Christians Denounce Israel**

In a political victory for President Amin Gemayel, 50 of Lebanon's senior Christian leaders issued a statement Tuesday denouncing Israel and stressing the importance of building a strong relationship with Syria. The New York Times reported from Beirut.

The declaration was seen in Beirut as the most clear-cut statement of Christian attitudes on Israel and Syria in the last decade. It also was a significant gesture to Mr. Gemayel in his struggle against Christian opponents who have challenged his authority and pro-Syrian policy.

The statement was made public after a four-hour meeting that Mr. Gemayel had called at the residence of Antoine Khoraiche, the patriarch of Lebanon's largest Christian community, the Maronites, near the port of Jounieh, north of Beirut.

Israel, the statement declared, was responsible for stirring up Christian-Moslem clashes in the Sidon area and emphasized Lebanon's links with the rest of the Arab world "with a particular emphasis on the strong bonds between Lebanon and Syria."

The meeting was called, reportedly, under pressure from the signers of the declaration included former presidents, all the Christian members of the cabinet and spiritual leaders.

**Israelis Threaten Shiites**

Israeli security sources said Wednesday that Shiite Moslem areas in southern Lebanon "will cease to exist" if Shiite guerrillas attack Israel after its troops withdraw, Reuters said that Israel's state radio reported in Tel Aviv.

"If Shiite terror continues, the Israeli Army will react in the strongest way with artillery and movement" into Lebanese territory, the radio quoted the sources as saying.

"We will make it clear to the Shiite leadership that their area will cease to exist if our settlements are shelled."

On Tuesday, a young woman drove a car laden with explosives into a group of Israeli military vehicles, killing two Israeli soldiers.



THATCHER IN JAKARTA — Dancers entertained Prime Minister Margaret Thatcher of Britain during her visit to Indonesia, the fourth stop on a tour of six Asian nations. Mrs. Thatcher conferred nearly two hours Wednesday with President Suharto.

## The Gentrification of San Francisco

(Continued from Page 1)

But here, the difference is in degree. San Francisco has experienced each of these changes "earlier and to a greater extent than any other area in the country," said Kevin McCarthy, a demographer at the Rand Corporation in Santa Monica, California.

Of the 13 largest cities in the nation in 1980, San Francisco (current population 706,900) had the largest percentage (22 percent) of residents between ages 25 and 34, the segment of the population most likely to have children. It also had the lowest percentage of children 13 and younger.

Of those 13 largest cities, San Francisco was one of only two that showed a drop in black population between the 1970 and 1980 censuses.

A recent city report says two-thirds of the downtown work force is white, and that whites hold three-

fourths of the management and technical jobs. Those jobs have the highest salaries, with more than half paying at least \$25,000, making San Francisco paychecks among the biggest of the largest American cities.

Proponents of further growth say the building boom merely reflects San Francisco's healthy economy. Bob Hayden of the Chamber of Commerce called the downtown high-rise buildings "vertical factories." And those factories hold down the city's unemployment rate to about 6 percent.

Mayor Dianne Feinstein touts San Francisco to foreign investors, who in turn finance much of the construction. So far this year, she has been to London and the Far East on trade missions.

But while the city bustles, some researchers react with caution, warning San Francisco as well as other cities that rely on service in-

dustries for employment. Several corporations have moved much of their operations to suburbs, where land costs less and where work done largely on computer, can be done just as easily.

A few years ago, there were no vacant offices here. Now, there is a 10 percent vacancy rate.

But probably unique to San Francisco is the worry that the city may be losing its charm and diversity.

"The danger is that San Francisco will become a Disneyland, a parody where a few blocks remain to show what life used to be like here," said Paul F. Wartelle, a public interest lawyer who represented the Brandolinos in their fight against eviction.

For the long term, the San Francisco Board of Supervisors is debating a new master plan for downtown development.

## Dutch Aide, In Moscow, Reaffirms Missile Stand

MOSCOW — The Dutch foreign minister said Wednesday that talks here with Foreign Minister Andrei A. Gromyko did not produce any decision on accepting U.S. medium-range nuclear missiles.

The minister, Hans van den Broek, said he was "disappointed" in the Soviet reaction to what he called a Dutch "signal" toward reducing nuclear arms in Europe.

Mr. van den Broek arrived Tuesday in Moscow for a brief visit with Mr. Gromyko to outline the position of the Netherlands on medium-range missiles.

The Soviet leader, Mikhail S. Gorbachev, announced Sunday that he had ordered deployments of medium-range missiles in Europe to be halted until Nov. 1.

The Dutch government has said that it would decide Nov. 1 on how many U.S. medium-range missiles it would deploy as a member of the North Atlantic Treaty Organization. The Netherlands had been expected to deploy 48 cruise missiles.

NATO decided in 1979 to deploy 464 cruise and 108 Pershing-2 missiles in Western Europe if the Soviet Union and the United States did not agree to reduce medium-range nuclear missiles in Europe.

The other four countries designated to receive the missiles, West Germany, Italy, Britain and Belgium, have started deploying them.

The Dutch said the number of missiles to be deployed in the Netherlands would depend upon how many SS-20 missiles the Soviet Union had deployed since June.

NATO says the Soviet Union had deployed 378 SS-20s by June and now have 414, an increase of 36.

Mr. van den Broek said he told Mr. Gromyko it was inevitable that the Netherlands would take the U.S. missiles unless the Soviet numbers are reduced.

Asked if Mr. Gromyko had challenged the NATO figures, or had given his own, Mr. van den Broek said the foreign minister had not.

**French-German Position**

Foreign Minister Hans-Dietrich Genscher of West Germany indicated Tuesday that the French and West German governments planned to develop a joint position on President Ronald Reagan's proposal for space-based missile defenses that could serve as the basis of a common European stance on the issue, the Los Angeles Times reported from Bonn.

In a written statement on European technical cooperation, Mr. Genscher noted West German efforts to forge a united European position on the Reagan program.

"As already proposed with the French government, it involves a French-German position as the starting point of a European position to which other interested European countries are invited to help develop," he said.

Both Mr. Genscher and the French minister for external relations, Roland Dumas, indicated last month in Brussels that France and West Germany might cooperate in response to the Reagan initiative, but Mr. Genscher's statement Tuesday was viewed as the clearest sign yet that the two countries would conclude such an arrangement.

## WORLD BRIEFS

### Rights Spokesman Banned in Prague

VIENNA (AP) — Jiri Hajek, principal spokesman for the Charter 77 rights movement, was officially requested to leave Prague for 48 hours on the eve of the arrival Wednesday of Sir Geoffrey Howe, the British foreign secretary, a dissident source said.

The whereabouts of Mr. Hajek, 71, who served as foreign minister during the short-lived "Prague Spring" liberalization period in 1968, were not known, the source said. But he is known to own a small cottage south of Prague.

The source said that the authorities apparently wanted to prevent a possible meeting between Mr. Hajek and Sir Geoffrey. When the West German foreign minister, Hans-Dietrich Genscher, visited Prague last December, Mr. Hajek was permitted to stay home and was visited by an official of Mr. Genscher's party.

### Bonn Recalling Ambassador to Libya

BONN (UPI) — West Germany announced Wednesday it is recalling its ambassador to Libya for consultations following the assassination of a Libyan exile, but said it does not plan to break off diplomatic relations.

A government spokesman said the decision to recall Rolf Enders, the ambassador in Tripoli, was made Wednesday at a cabinet meeting that heard an Interior Ministry report on the killing Saturday of Ghebl el Denali, 30. The spokesman said that Bonn was bearing in mind the fate of 1,500 West Germans working in Libya.

He reported that the gunman, Fahad el Tarkoni, told police interrogators that he came to West Germany in January from Libya intending to kill opponents of the regime in Tripoli, but that he acted on his own with no support from the Libyan government. The government of Colonel Moammar Qadhafi has denied any role in the assassination.

### Countdown Begins for Shuttle Launch

CAPE CANAVERAL, Florida (UPI) — The countdown began Wednesday for Friday's launch of the space shuttle Discovery, following weeks delays because of technical problems. Senator Jake Garn, Republican of Utah, is scheduled to be on board.

Mark Hess, a spokesman for the National Aeronautics and Space Administration, said the countdown, which includes about 11 hours of built-in "holds," began on time. The launch is scheduled for 8:04 A.M. Friday.

The crew is to consist of Karol Bobko, the commander, Donald Williams, the co-pilot, Mr. Garn, Jeffrey Hoffman, Dr. Margaret Rhea Seddon, David Griggs and Charles D. Walker. They plan to spend five days in orbit and launch a pair of communications satellites. Mr. Garn, chairman of the Senate subcommittee that monitors the space agency's budget, is to act as a congressional observer and conduct a series of medical experiments.

### Conservatives Ask AID Chief to Resign

WASHINGTON (NYT) — Conservative groups have called for the resignation of M. Peter McPherson, administrator of the Agency for International Development, following a stormy meeting with him last week.

At the meeting, the groups criticized AID policies in Mozambique and El Salvador, as well as the agency's \$36 million contribution to a United Nations fund for population control. Paul M. Weyrich, director of the Committee for the Survival of a Free Congress, said Tuesday that nearly 30 conservative groups had joined his call for Mr. McPherson's removal.

Mr. Weyrich's group charged in a recent letter to President Ronald Reagan that AID was violating a law passed in Congress last year prohibiting support for the fund until it ends its activities in countries that promote coercive population control.

### For the Record

A 24-hour strike Tuesday by 180 television reporters at the British Broadcasting Corp. forced the cancellation of several news and public affairs programs. The employees went on strike after the BBC refused to renew the contracts of seven senior reporters. (AP)

President Ronald Reagan appointed Linda Chavez on Tuesday to head his Office of Public Liaison, making her the highest-ranking Hispanic woman in the White House. (NYT)

China's National People's Congress unanimously approved on Wednesday the Chinese-British declaration on the return of Hong Kong to China in 1997. (Reuters)

British police detained 20 anti-nuclear protesters Wednesday after they broke into the Alconbury military base in eastern England, used by the U.S. Air Force, a Defense Ministry spokesman said in London. (Reuters)

The Iraqi government accused the acting West German chargé d'affaires in Baghdad on Wednesday of interference in Iraqi internal affairs and ordered him to leave Baghdad within seven days. The diplomat's activities were not described. (UPI)

### Danes Resume Walkouts To Protest Wage Agreement

COPENHAGEN — Tens of thousands of Danish workers defied union leaders Wednesday and went on strike again to protest a two-year wage agreement imposed by the government.

But Prime Minister Poul Schluter said that "the government will not move an inch" beyond the settlement, which puts a 2-percent ceiling on wage increases in the public and private sectors.

The walkouts Wednesday, following 17 days of the worst labor unrest Denmark has had for years, affected factories, schools, hospitals, public transport, newspapers and government offices.

Garbage in the capital again went uncollected and Denmark's two biggest ports, Copenhagen and Aarhus, remained closed, although other harbors seemed unaffected, dock officials said.

The day of protest was called by leftist union shop stewards in defiance of both government orders to return to work and of national union officials, who are legally bound by the imposed wage settlement.

U.S. officials also have urged European governments to relax government controls over financial markets, state-owned industries and subsidies.

West German officials have ruled out speeding up tax reductions and most European officials have resisted making commitments to deregulate their economies.

How and when will Japan carry out its market-opening and trade-liberalization package unveiled Tuesday in Tokyo? U.S., European and OECD sources said Japan's willingness to liberalize its economy was a prerequisite for similar moves in their countries.

Mr. Brock, who was nominated to the U.S. secretary of labor, said Japan's package reflected "real courage," but that the U.S. would remain "cautious" because, despite promises by Tokyo to liberalize the Japanese economy, "nothing ever changes."

## Heart Patient Identified as Tax Suspect

STOCKHOLM — Europe's first recipient of a permanent artificial heart, in satisfactory condition at a Stockholm hospital four days after his operation, was identified Wednesday by his lawyer as a 52-year-old businessman on trial for tax evasion.

Bjorn Rosengren, the lawyer, identified his client as Leif Stenberg, who has been called "Mr. X" by some Swedish newspapers for his alleged involvement in complex financial dealings under investigation by the police and tax authorities.

Mr. Rosengren told the Swedish news agency Tidningsnäs Telegramby that he had asked for longstanding tax evasion charges against Mr. Stenberg to be dropped because of his poor health.

"Stenberg has long been ill and has had two heart attacks," Mr. Rosengren said. "He has had a tough time."

Mr. Stenberg, who had asked not to be identified, was given a plastic and metal heart by Dr. Bjorne K. Semb in a 10-hour operation Sunday. It was the first implant of a permanent artificial human heart outside the United States.

A spokeswoman for the Karolinska Hospital declined to confirm



Leif Stenberg

the patient's identity, but said his condition was satisfactory and that he was feeling well.

Swedish newspapers said Mr. Stenberg, twice married to the same woman, had built up a business empire beginning as a used-car salesman.

They said that police investigations of his activities began with a series of raids on his premises throughout Sweden in 1976. He was charged with tax offenses in 1978 but there has been no verdict in the case, partly due to delays caused by his poor health.

Mr. Rosengren said the charges concerned alleged unpaid taxes of 400,000 kronor (about \$43,950).

Mr. Stenberg's American-designed heart, known as the Jarvik-7, is operated by an external air compressor.

## Poles Find Regime Inept, Study Says

(Continued from Page 1)

effectiveness with which the government's "voiced declarations are implemented."

"More and more, charges are raised that the regime is not able to execute its own decisions," the study says. Often, it continues, "reality is ignored when tasks are set."

And it adds, with a note of urgency, "The directive for today and tomorrow should be credibility."

Apathy, buck-passing and a feeling of resignation are said to afflict Communist Party bureaucrats, civil servants and economic managers alike, posing a "serious threat" to the conduct of state policies. Poland's economic troubles, it continues, have compounded these attitudes and contribute to "passivity, mistrust and sometimes justifiable fatigue due to living conditions" in the society as a whole.

The authors of the study were not identified. But given the level at which it was reviewed, the report appears likely to have a broad influence on the government's perceptions of the tensions and divisions in Polish society.

The study suggests the Jaruzelski regime has a deep sense of insecurity, which at times seems to verge on absurdity. In listing social threats to youth and educational institutions, the report lists drug addiction with "free summer camps for children" sponsored by the Roman Catholic Church. And it alleges that the church is engaged in a campaign to "take over the minds

of the society, especially its youth." Infiltration is a recurrent theme. In addition to subverting children at summer camps, the church is accused of conducting "ideological infiltration of the scout movement" while trying to expand its influence in schools, factories, health and recreational facilities.

The report stresses the need for dealing openly and honestly with the public on the country's serious economic and social problems, "through dialogue that is real, not sham."

The study offers few concrete prescriptions for Poland's ills, except in regard to the two sectors of society seen as posing the greatest resistance to the regime: intellectuals and the church.

It recommends no specific actions against the church but says the "state of implementation of policy toward the church, and of church-state relations, should be reassessed."

Its ideas for dealing with intellectuals are more sharply defined. Coming shortly before this month's plenum of the party Central Committee, which is to deal with issues of the intelligentsia, the report indicates that the government contemplates rolling back the measure of freedom that universities and research institutes gained during the Solidarity era in 1980-81.

The report says the regime should "eliminate determined opponents, especially among academic cadres," and that intellectuals should be reminded of their dependence on the state.

U.S. exports to Japan in 1984 were valued at about \$27 billion, up about 9 percent from 1983. About a quarter of that was agricultural products—Japan is the single largest foreign market for U.S. farms.

Many Japanese officials contend the buy-foreign approach can have only minor effect. In their view, Japan already is an essentially free market.

Successful foreign consumer goods in Japan are often luxury items — French dresses, Italian shoes, Swiss watches.

About 42,000 foreign cars, 2,400 of them American, were registered in Japan last year. The great mass of the market remains firmly in the hands of the locals.

### EC Complaints

The European Community asserted Wednesday that Japan's latest plans to increase imports would benefit U.S. companies at the expense of the EC, whose trade deficit with Japan last year amounted to about \$10 billion, The Associated Press reported from Brussels.

### U.S. Eases Cambodia Policy

(Continued from Page 1)

Cambodia in 1975, which hastened their fall to Communism.

**Warning by Hanoi**

Vietnam warned the United States on Wednesday against aiding Cambodian guerrillas, Agence France-Press reported from Hanoi. The Vietnamese Army newspaper, Quan Doi Nhan Dan, said that this would risk dragging the United

States into a new involvement in Southeast Asia.

"What the United States should do is contribute actively to the founding of peace in Indochina and Southeast Asia, and not the reverse," the daily said.

**Fighting Reported**

Cambodian guerrillas with mortars and rocket-propelled grenades retaliated Wednesday against a Vietnamese attack on two guerrilla camps, The Associated Press reported Thai military sources as saying in Aranyaprathet, Thailand.

Vietnamese troops, supported by howitzers, attacked the Prey Chan and Rithien camps Tuesday and Wednesday, killing or wounding about 20 guerrilla defenders, they said. Vietnamese casualties were not known.

**TAKE OFF WITH A BIG WIN!**

Now try the Lottery with only 80,000 Tickets

44,800 winners

**WINNING CHANCES: 1:2**

Yes, only 80,000 tickets participate in the 120<sup>th</sup> Austrian Lottery, bringing YOU closer to BIG WINS like these:

**1st Prize: US \$ 540,000.00**

**2nd Prize: US \$ 270,000.00**

3rd Prize: \$ 225,000.00      2 Prizes of \$ 180,000.00

2 Prizes of \$ 135,000.00      2 Prizes of \$ 90,000.00

31 Prizes of \$ 45,000.00      35 Prizes of \$ 22,500.00

**PLUS 44,825 Other Cash Prizes up to \$ 13,500.00**

**Total Prize Money: \$ 19,080,000.00**

• Your winning chances are the best worldwide, since one out of every two tickets wins at least the cost of the ticket.

• All winnings paid out tax-free in any currency, anywhere.

• For your protection, the Austrian Lottery is under strict government control.

Make a date with luck! Write today, using coupon, for brochure and ticket application form

to **PROKOPF INTERNATIONAL**  
official distributor for the Austrian National Lottery.

29 Mariahilfer Str. (Since 1913) A-1061 Vienna, Austria.

Please send me a brochure and ticket application form for the 120<sup>th</sup> Austrian National Lottery.

Name \_\_\_\_\_

Address \_\_\_\_\_

City/Country \_\_\_\_\_ ZIP \_\_\_\_\_

MAIL TODAY • WIN TOMORROW • MAIL TODAY • WIN

The ultimate in condominium luxury at two of Manhattan's most prestigious addresses:

**Trump Tower**  
Fifth Avenue and 57th Street

**Manhattan Place**  
First Avenue and 38th Street

New apartments for immediate occupancy. Wonderful upper floor units featuring 2, 4 or 5 bedrooms (1,500 sq. ft. to 3,000 sq. ft.). The emphasis is on elegance, security and privacy. Distinctive apartments that are also a sound investment. Available directly from owners.

Mr. M. Parnass  
Em-Ess Management Corp.  
118-35 Queens Boulevard,  
Forest Hills, NY 11375.  
(718) 897-4848.

**UNIVERSITY DEGREE**

For Life, Academic & Work Experience

By our quality to

BACHELOR'S MASTER'S DOCTORATE

Send detailed resume for a type evaluation.

**PACIFIC WESTERN UNIVERSITY**  
1620 Ventura Rd. Box 22, Santa Cruz, CA 95060, USA

Verdict  
Editors  
thing  
breaking

powerful cars can be  
provided our most p  
standing contribution  
Our new traction  
wheels from spinning  
giving you only as m  
Together with our  
when accelerating a  
It's a combination  
and more efficient.

ETC - Ele

# Talks

reat surprise," and its own statements. It is a tax increase.

What new communist-  
pean countries make  
their economies libe-  
l. Officials have sug-  
West German officials  
ing tax cuts in the  
stages for 1988 and 1989  
to 1990 to 1992. They  
adopt more open  
etary and fiscal pol-  
icy in these coun-  
tries.

S. officials also have  
ans governments to in-  
crease controls over  
markets, state-owned en-  
terprises.

est German officials  
our speeding up in a  
and most European  
reinstated making com-  
regulate their econo-  
flow and when will  
to its market-  
liberalization pub-  
Tuesday in Tokyo  
in and OECD coun-  
willingness to in-  
vity was a premon-  
it moves in their view.

Brook, who was  
U.S. secretary of  
the package return  
ge," but their the  
in "cautious" re-  
ises by Tokyo in  
state economy "mak-

Powerful cars can provide our most standing contribution.

Our new track wheels from spinning giving you only a

Together with when accelerating.

It's a combination and more efficient.

ETC —

## s to General

Mrs. Spector said that, although competition is a worthy ideal in weapons procurement, it is often impractical to have more than one supplier for expensive equipment bought in small quantity, especially if it takes years to develop because start-up costs are high.

She said that monopoly suppliers can be adequately controlled by policing their claims and disallowing improper charges.

There are dissenting voices in the Pentagon. The secretary of the



has been an embarrassment to the government. The local newspapers, which are government controlled, have carried thorough accounts of the proceedings.

International and domestic pressures apparently have ensured that the court sessions would be more free-wheeling than usual. The U.S. government has demanded that the persons responsible for Mr. Liu's death be punished and that the facts in the case come out.

In addition, the Daily City Police and the Federal Bureau of Investigation are conducting their investigations of the murder. So any obvious cover-up in Taipei might be easily exposed.

GOOD LORD...  
WHAT WAS  
THAT?

BEATS ME,  
MAN.

THAT DOES IT!  
THE DEAL'S  
OFF!

HEY, CHIN,  
MAN, THEY  
WERE JUST  
WARNING  
/ SHOTS!

Bill Griffith

Concord Watch Company SA.,  
63, rue Centrale, 2502 Bienne, Switzerland.  
European Watch, Clock and Jewellery Fair Basel 85,  
hall 1, stand 361

Bradley, who became the first black mayor of Los Angeles in 1973, has won a fourth term in office.

Mr. Bradley, 67, led the campaign to bring the Olympic Games to the second biggest U.S. city last summer and has been credited with rebuilding the decaying business center.

He told his cheering supporters: "Los Angeles has made history. This city elevates its leadership based not on color or sex. Los Angeles is the city of hope and opportunity, and I am the

With votes from Tuesday election still being counted Wednesday, Mr. Bradley is ahead of his chief opponent John Ferraro, by a 67-per cent to 31-per cent margin.

It was a low election turnout among the city's 1,370,000 voters.

Many political experts said that Mr. Bradley, a liberal Democrat, will seek the governorship of California again next year. He was defeated in 1974 by 52,195 votes out of 750,000.

eratic Boat and \$1.15 billion to other company divisions.

At the same time, the air force contracted with the company for \$2.3 billion in new work, mostly for assembly of the F-16. And the navy, whose M-1 tank is built by General Dynamics, has given the company \$1.15 billion in work.

Sometimes they're the sole bidder for work that has to be done," says Defense Secretary Caspar W.

need these things and we need them quickly."

Eleanor Spector, deputy assistant secretary for acquisition, said that cutting off General Dynamics from new military work was "not cost-effective." To find an alternate supplier for such weapons as the F-16, she said, the Pentagon would have to delay delivery and equip a new company at costs of \$1 billion.

weapons procurement, it is often impractical to have more than one supplier for expensive equipment bought in small quantity, especially if it takes years to develop because start-up costs are high.

She said that monopoly suppliers can be adequately controlled by policing their claims and disallowing improper charges.

There are dissenting voices in the Pentagon. The secretary of the

competition, said. "If you're sourced, your leverage is huge."

"We have never had a case where the price did not come down automatically as soon as the source started producing."

Mr. Lehman acknowledged the navy has "no place other than to General Dynamics for production of the Trident nuclear-missile sub-

Page 10 of 10

1. Contract of Insurance - The contract between the insured and the insurer.

control device not only increases safety by keeping your

...braking, even on slippery roads.

*(continued)*

Electronic Traction Control from Volvo.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

1

**VOLVO**  
Making Cars Safer

ETC. Wheel speed sensors continuously inform the microprocessor control unit about the rotation speed of each road wheel. The control unit compares the speed of the front and output units when wheel spin is checked. This returning optimum performance on any road surface. The ETC is  
The car in the picture is the Volvo 760 Turbo. For further information please contact your nearest Volvo

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Gorbachev's Real Agenda

One month into what he must hope will be a 20-year reign as Soviet leader, Mikhail Gorbachev has already given the answers, and questions of his first "interview" on foreign affairs. He is respectful, even hopeful, about the United States. Better relations are not only necessary but possible. There is nothing "inborn" about superpower confrontations. He looks forward to meeting President Reagan to give their relationship a "serious impulse" on arms control and a range of other issues.

He is also shrewdly seductive to Western Europe. Other countries also count, he insists. America's allies should not take the economic bait of becoming "accomplices" in the dangerous Strategic Defense Initiative. They should help terminate — note: no longer undo — the deployment of U.S.-built Euromissiles. Toward that end, the Soviet Union will freeze its deployments against Europe for six months.

What a vigorous new performer, say the Kremlinologists. Nothing new, critics say. A Kremlin play to split the alliance, says the Pentagon. Meaningful offers should be made confidentially at Geneva, says the State Department. These American responses are all true — and overwrought. They neglect the context in which Mr. Gorbachev must operate. They confuse an American election, which concludes a contest for power, with a Soviet accession, which may mark the beginning.

The expectation of a swift revival of Soviet leadership is understandable. Mr. Gorbachev is only 54 and the successor to three ailing septuagenarians. But he has been warily elevated by an aged Politburo. He leads a party and government that Pravda now denounces daily as unimaginative, inefficient, corrupt. He presides over an economy that has stopped growing. He confronts a formidable but hungry military machine, bogged down in Afghanistan and challenged by a U.S. buildup.

Mr. Gorbachev's real agenda is not yet Gorbachev, or Washington, or even that most inviting tourist lure, Beijing. He is maneuvering to get his close associates onto the Politburo and to build his own power base. Throughout the Soviet Union, party meetings report discussing "personnel policy in the light of the March plenum," the secret gathering that elected Mr. Gorbachev leader. He is building toward a new party congress and a new five-year plan by the end of the year. And until then, he is surely scratching for consensus among the party bosses, the KGB, the military commanders and the budget makers.

Small wonder that in this first pitch to the West he sounded like his predecessors — and their common foreign minister, Andrei Gromyko. Of course Mr. Gorbachev has no new arms control plan or quick path out of Afghanistan. Of course he balances cordially to President Reagan with a protective wink to Prime Minister Thatcher and Chancellor Kohl.

Is he then saying nothing of interest at all? Not quite. To sharply tuned Soviet ears, he said on his way to the top that the ultimate guarantor of national security was not the military but the Soviet economy. In his first weeks in office he said he wanted a new productivity based on tough discipline in all economic sectors. And now he balances the promise of austerity with a hope for better ties (and trade) with America. It forms a pattern.

Americans cannot yet judge Mr. Gorbachev's strength or policy. But as we are mature, we will reciprocate the cordiality, stop fretting about the fragility of the North Atlantic Treaty Organization and prepare a list of mutual accommodations. By the time he is ready to visit the White House, the Soviet leader should know what policy gifts are most desired and which he might expect in return.

— THE NEW YORK TIMES.

## Insecurity in Securities

Another dealer in U.S. government securities has filed for bankruptcy, sharpening the demands in Congress that these operations be regulated. The most recent firm to fail, Bevil, Bresler and Schulman Asset Management Corp. of Livingston, New Jersey, is smaller than ESM Government Securities, the Florida dealer that folded last month. But both failures will bring substantial losses to financial institutions that were their customers. The government has charged both firms with fraud.

Regulation cannot prevent fraud. Regulation ought not guarantee complete safety to the dealers' customers, for those customers are professional money managers and the government has no obligation to relieve them of the need to be careful about the credit and reliability of the people with whom they deal. For the government to guarantee these dealers would come close to insuring financial speculation. But a modest amount of regulation, beginning with registration of dealers, would be useful in a market that has grown with astounding speed over the past decade.

The government securities dealers used to be a tight little circle of experienced competitors who knew each other well. But the circle has expanded with the rise in the U.S. federal debt, because federal debt — in the form of Treasury securities — is the dealers' stock in trade. The growth of this market is one conse-

quence of President Reagan's budget deficits. E. Gerald Corrigan, the president of the New York Federal Reserve Bank, recently told a congressional committee that it is not uncommon for more than \$200 billion in government securities to change hands in one day of trading. In comparison, the federal budget is \$2.6 billion a day and the gross national product, the total output of goods and services, is \$10.5 billion a day. As one would expect in a bountiful and rapidly growing market, some securities firms are less sound than others.

The victims of fraud and failure are usually incautious money managers simply looking for the highest possible returns. They know that Treasury securities are risk-free, and they often assume — incorrectly — that the dealers therefore must be risk-free as well.

As Mr. Corrigan told Congress, it is the professional money managers' job to know a lot about the firms with which they do business. Much of these dealers' business is borrowing and lending with government securities as collateral. While a high rate offered may be the sign of a successful competitor, it may also be the sign of a desperate dealer sliding into serious trouble. It is up to investors to distinguish between the two. The government is going to have to set some rules for this game. But it has no duty to protect careless players.

— THE WASHINGTON POST.

## Other Opinion

### Balancing the Budget Cuts

President Reagan and Senate Republican leaders have reached significant compromises on the federal budget, but much more give and take will be necessary. No one can quarrel with the intent of the spending reductions — to reduce the federal budget deficit. Legitimate questions can be raised, however, as to whether the elderly, those near the poverty level, and local governments should bear the brunt of increased military spending.

— The Seattle Post-Intelligencer.

### Japan's Promise on Trade

Doubts remain whether the immediate market-opening measures announced Tuesday can really reduce Japan's trade surpluses. Prime Minister Yasuhiro Nakasone stated that "Japan will carry out its responsibilities and roles commensurate to its economic power." But if he does not put down the outline of his "action program" and put a certain amount of meat on separate measures by the time of the May summit of industrialized nations, he may be strongly criticized by other countries for violating a public promise.

— The Yomiuri Shimbun (Tokyo).

The latest Japanese package is barely enough to rein in the American Congress,

which is threatening surcharges on imports from Japan. Even if the Japanese government were totally committed to trade disarmament — and what government is? — the Japanese economic system would not open up to imports in a way that could be expected to eradicate its \$37 billion surplus on trade with America. But Japan is not the only trade offender, even in American eyes: they can see protectionism rising in Europe too.

The worst resolution of the dispute between America and Japan would be the construction of new tariff walls in the United States. The second worst would be the opening of private two-way trade channels between the free world's two most powerful economies.

— The Times (London).

The United States has a tendency to define everything according to its own methods and frameworks and label as unfair anything that is different. It is important for Japan to clearly separate what should be emphasized as its own unique systems and customs and what should be reformed so that it is more acceptable internationally. Even if Japan opens its doors with the intention of taking the lead in defending free trade, imports probably will not increase if foreign manufactured goods lack attractive price and quality. It is necessary for Japan to repeat this obvious idea.

— The Asahi Shimbun (Tokyo).

## FROM OUR APRIL 11 PAGES, 75 AND 50 YEARS AGO

**1910: Envoy Is Booted for Portugal**  
LOS ANGELES — Governor Henry T. Gage began his diplomatic career when he took the oath as Minister to Portugal, gathered his 18 new pair of boots and started for Lisbon. When his appointment was announced, a London tailor who makes a specialty of logging out diplomats sent a circular telling Mr. Gage he must get a diplomatic dress, consisting of a pair of knickerbockers and silk stockings and a neat pair of ladylike slippers. He threw the diagrams of the Lord Fauntleroy attire in the wastebasket. Then he sent out to his bootmaker and had 18 pairs of new boots made. His friends had been wondering if diplomatic life would at last induce him to abandon his life-long habit of wearing high-topped boots.

**1935: Goering Marries Stage Actress**  
BERLIN — While 200 airplanes roared over the capital, bands played, crowds cheered and guards of honor presented arms, General Hermann Goering, Minister of Air and Prussian Prime Minister, was married (on April 10) to Fraulein Emmy Sommermann, blonde star of the Prussian State Theater. Reichsführer Hitler was one of the two best men. General Goering, resident in the uniform of the Air Force, drove to his bride's home at noon. The couple then went to the Town Hall in a flower-decorated automobile following a detachment of General Goering's special police on motorcycles. Herr Hitler and Herr Kerl, Speaker of the Prussian Diet, were in the first car, which was followed by the Führer's bodyguard.

## INTERNATIONAL HERALD TRIBUNE

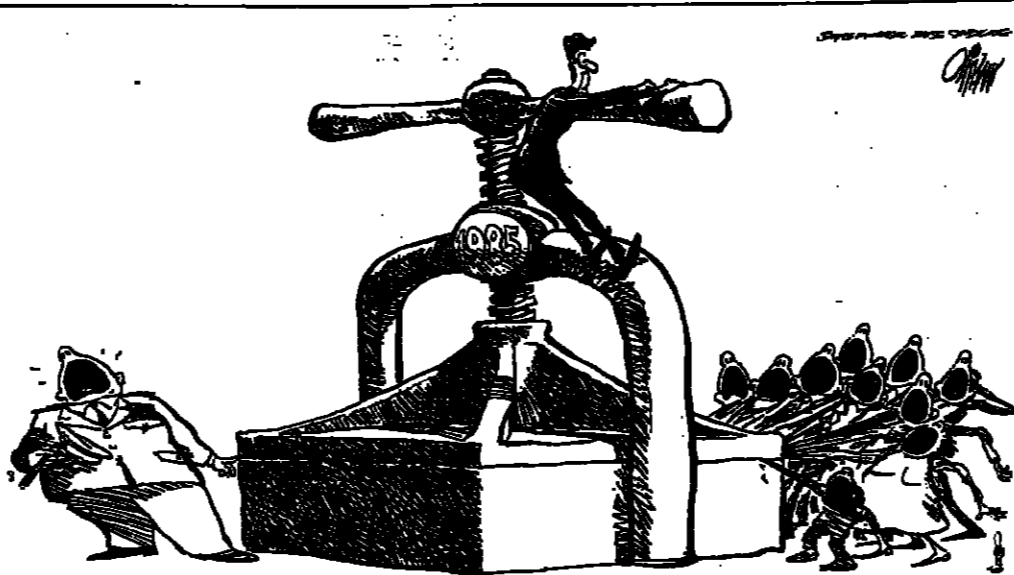
JOHN HAY WHITNEY, Chairman 1955-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER

Co-Chairmen

LEE W. HUEBNER, Publisher  
Executive Editor: RENÉ BONDY  
Editor: ALAIN LECOUR  
Deputy Editor: RICHARD H. MORGAN  
Deputy Editor: STEPHAN W. CONWAY  
Associate Editor: FRANÇOIS DESMAISON  
ROLD F. KRANFELD, Director of Advertising Sales

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Telephone: 7471-1265. Telex: 612718 (Herald), Cables: Herald Paris.  
Directeur de la publication: Walter N. Thayer  
Asia Headquarters, 24-24 Heng Kong Rd., Hong Kong. Tel. 5-285418. Telex 61170.  
Managing Dir. U.K.: Robin MacKinnon, 63 Long Acre, London WC2E 9LT. Tel. 436-4802. Telex 262000.  
S.A. au capital de 1,200,000 F. RCS Nanterre B 32021126. Commission Paritaire No. 61337.  
U.S. subscription: \$204 yearly. Second-class postage paid at Long Island City, N.Y. (11101).  
© 1985, International Herald Tribune. All rights reserved.



## Squeezing the Budget's Wrong End

By Tom Wicker

NEW YORK — In dealing with Congress, Ronald Reagan is as effective as any president since Franklin Roosevelt — and FDR always had Democratic majorities. Mr. Reagan's "budget compromise" with Senate Republican leaders looks like another nice piece of legislative footwork — although it is medicine for the wrong disease, and its political consequences remain to be seen.

The new Reagan-Republican budget package, which the White House says Mr. Reagan is prepared to fight for, would cut projected spending in fiscal 1986 by \$52 billion; over the next three years, spending would go down by nearly \$300 billion. If all projections hold up, that would reduce the federal deficit to "only" \$99.7 billion in fiscal year 1988.

In that three-year period, however, the Reagan-Republican package would mount a direct assault on middle-class benefit programs. It would restrict cost-of-living benefits for Social Security recipients, violating one of Mr. Reagan's strongest campaign promises; raise the cost of Medicare benefits to the recipients; and cut or eliminate farm price supports, student loans, crop and flood insurance, soil and water conservation programs, National Institute of Health grants, the Export-Import Bank and the Small Business Administration.

The package would attack post-New Deal government across the board. Mass transit and urban development grants and other programs of importance to the cities

would be reduced or canceled; Amtrak, rural electrification, the Job Corps, general revenue sharing and economic development programs would be killed.

But these deep spending cuts only partly attack the fundamental causes of the deficit. The chief culprit is Mr. Reagan's 1981 tax reduction; Donald Regan, the former Treasury secretary who is now White House chief of staff, has estimated that the tax cut causes \$135 billion of the prospective \$213-billion deficit this year. Yet no increase in revenues is proposed in the Reagan-Republican package.

A second major cause of the deficit is increased military spending, which has risen by 60 percent in the Reagan years, against only a 28-percent increase in nonmilitary spending. But the compromise package is aimed primarily at relatively innocent — and in many cases effective — social programs. It would cut Mr. Reagan's requested 6-percent annual increase for the Pentagon to 3 percent (after inflation) in each of the next three years, saving \$70 billion; but it would cut nonmilitary programs more than twice as much, by \$152 billion.

A third big factor in the deficit is rising entitlements spending. Mr. Reagan and the Republican senators deserve credit for recognizing the difficult fact, even in violation of the president's campaign promises not to cut Social Security. Nevertheless, cost-of-living reductions

for the elderly over a three-year period, coupled with rising charges for Medicare benefits, will be so hard to achieve that they cast doubt on even the president's ability to push through this deficit-reduction package.

It is not just the elderly recipients who will resist; their children fear they may have to make up the difference from their own pockets.

Only at a time of \$200 billion deficits — which, ironically, he did more than anyone to create — would the kind of broad assault on government that Mr. Reagan now projects be remotely possible; and he has shrewdly taken advantage of the opening. Even the budget "compromise" appears to have been calculated; not until enough senators had sworn to cut domestic programs if only Mr. Reagan would agree to cut military spending did he "cave in" — accepting, at that, substantially smaller reductions than the senators wanted.

Clearly, this determined president is gambling that his conservative vision of a government largely removed from a major social role is now more acceptable to the public than the liberal Democratic approach that has dominated the last half-century.

That is a riverboat gamble indeed, since there is little evidence that Americans want to reduce the deficit by cutting programs of benefit to themselves, and since Mr. Reagan must know by now that to tinker with Social Security benefits is to play with political fire.

The New York Times.

## Questions on Past Accords Hang Over Geneva Talks

By John C. Ausland

OSLO — After taking a negative attitude toward arms control for many years, President Reagan has adopted a more positive tone. At the same time, he publicly accuses the Russians of cheating. It is not easy to see how these approaches can be reconciled. In fact, the question of Soviet compliance with past arms control agreements has become a roadblock in the way of progress in Geneva.

Paul Nitze, who is experienced in negotiating with the Russians, stated the Reagan administration's arms control goals in a speech Feb. 20 in Philadelphia. He said the objective during the next 10 years is "a radical reduction of the power of existing and planned offensive nuclear arms," after that would come a transition to

et activity in question has either ceased or additional information has been obtained.

But critics of the SALT accords consider such statements whitewashes. Richard Perle, assistant secretary for international security policy, told a Senate committee last year that "serious compliance problems have generally not been resolved by the SCC or in any other manner." Those who support this view managed years ago to get Congress to require regular reports from the president about Soviet compliance with arms control pacts.

Although President Reagan's Feb. 1 report contains considerable evidence of questionable Soviet behavior, the significance of the various allegations has to be weighed. The most serious is unquestionably a gigantic radar installation being built at Krasnoyarsk in Siberia. Mr. Reagan's report flatly maintains that this radar "constitutes a violation of legal obligations under the Anti-Ballistic Missile Treaty."

The Krasnoyarsk radar is only the most advertised of the developments that have convinced the Reagan administration that the Russians may be preparing to renounce the ABM treaty and deploy a nationwide ABM system. It should be no surprise that the Russians accuse the Reagan administration of the same thing — in fact, of seeking to develop a first-strike nuclear capability in the 1980s.

Even critics of the Reagan administration's arms control policy concede that doubts about the Krasnoyarsk radar must be resolved before progress can be made on new agreements. But they say the president is wrong in making public his charge of Soviet cheating.

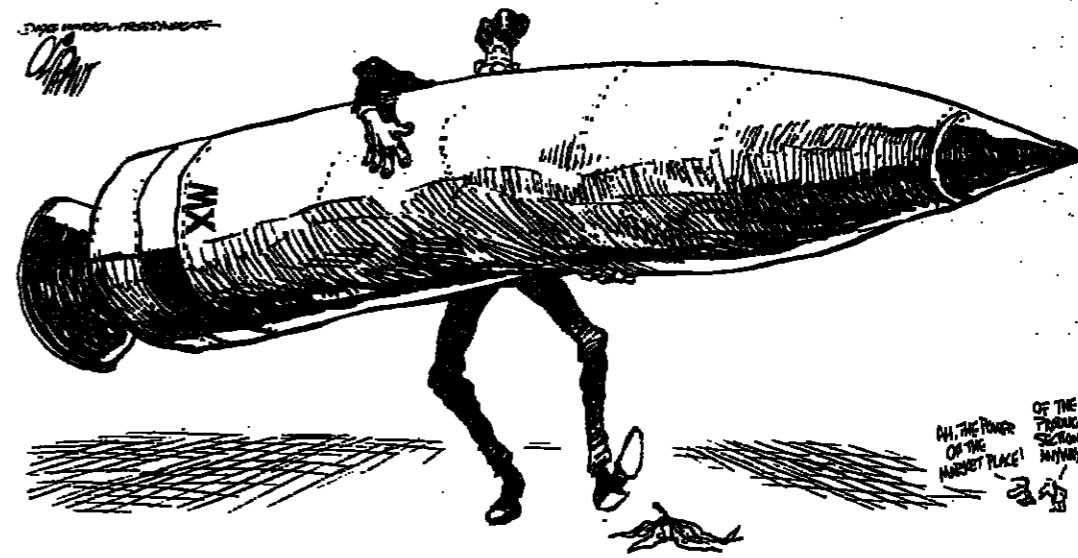
There can be little doubt that the administration fully intends to do something about what it calls "the erosion in the Anti-Ballistic Missile Treaty regime." Secretary of State George Shultz took the matter up with Foreign Minister Andrei Gromyko in Geneva in January. Mr. Gromyko seems to have just listened.

American officials say they have not given up on getting the Russians to "improve their behavior" and thus make progress on new agreements possible. Yet if the Russians are unable to persuade the Americans that the Krasnoyarsk radar is intended for tracking space vehicles — and not incoming missiles — it is hard to imagine them improving.

If compliance issues are not resolved before too long, the stage will be set for a showdown within the Reagan administration regarding arms control. Meanwhile, a large chunk of the money devoted to the president's Strategic Defense Initiative goes to the development of an American land-based system. A test conducted last year demonstrated that a nonnuclear missile could intercept an incoming warhead.

While the space aspects of the SDI are dramatic and important, the key decisions on these will not be made until the 1990s. The way things are going, the question of going ahead with an American land-based ABM is likely to arise sooner.

International Herald Tribune.



"See? I told you this would work — already, Gorbachev wants a summit!"

## Sudan: Symbol of an Indebted Africa

By Henry F. Jackson

NEW YORK — The economic and financial problems that led last week to the overthrow of the Sudanese president, Gaafar Nimeiri, are hardly unique in Africa. Several of America's allies among the continent's 50 independent states are beset by debt problems huge enough to eclipse drought and famine as Africa's biggest disaster.

Long before Mr. Nimeiri embarked on his fateful trip to Washington in search of economic aid, Sudan's debilitating foreign debt made it possible to predict that he would fall unless he received an urgent infusion of American help.

Last week's food riots, which were sparked by the removal of government food subsidies in compliance with International Monetary Fund requirements, were no more than the coup de grace to a regime already undermined by economic failure.

In 1983, Sudanese debt amounted to \$7 billion, or more than seven times the country's export earnings that year; by last week, it had risen to nearly \$10 billion. The percentage of the country's foreign exchange earnings spent merely to service its debt

averaged 80 percent to 90 percent annually — an astronomical sum that by itself wiped out precious hard currency needed to meet the country's full debt obligations. The left no money to promote lagging development programs in a country where deteriorating agriculture may mean starvation for nearly six million people this year.

Meanwhile, Sudan's failure to repay brought a number of reprisals. The Reagan administration froze its aid. The IMF canceled a 1984 standby loan; it also pressed Mr. Nimeiri to pursue several difficult economic reforms, including a cessation of interference in foreign exchange markets. Britain, West Germany and Saudi Arabia cut off their aid in an effort to compel the president to comply with IMF conditions.

Certainly, Mr. Nimeiri brought disaster upon himself by preparing to declare himself president-for-life and repressing opponents of the Islamic sacred law he imposed on the entire Moslem and non-Moslem population of Sudan. But clearly the root of his problem was financial.

Sudan is hardly alone among African countries caught in protracted debt crises, unable to escape bankruptcy without incurring new loans, often at higher interest rates. Very few of these cash-starved states are solvent enough to follow Nigeria in its hard-line refusal to comply with IMF conditions for new credits.

In several of these countries, debt servicing alone gobbles up a third to a half of annual export earnings. In 1981, African countries constituted 20 of the 32 developing countries reported in arrears on external payments; in 1984, they accounted for 10 of the 14 countries whose accounts were submitted to the so-called Paris Club, the international group that renegotiates national public debts.

Unlike many Latin American debtor nations, the Africans owe mainly official debt — to other governments or international financial institutions. But this hardly alleviates their calamity, for governments, like private banks, expect to be repaid. The bulk of Africa's total foreign debt, estimated at \$150 billion in 1983, is owed to Western Europe, which remains the Africans' main trading partner. The United States is, however, also deeply implicated.

This is true not only because of U.S. strategic and political interests in Africa — America needs an African transit point for its Rapid Deployment Force and depends on imports of African minerals — but also because default by Africa's big debtors would severely endanger the global economic system.

What can be done to prevent economic breakdown from provoking political upheaval across the continent? Remedies may include debt rescheduling, a debt moratorium and new credit. The United States should, however, focus on encouraging African countries to become economically self-sufficient, particularly in agriculture. Until they do, they will not remedy their debt crisis or secure the future of the estimated 150 million Africans who are threatened by starvation.

BEN LANE, Stockholm.

of Sudan. But clearly the root of his problem was financial.

Sudan is hardly alone among African countries caught in protracted debt crises, unable to escape bankruptcy without incurring new loans, often at higher interest rates. Very few of these cash-starved states are solvent enough to follow Nigeria in its hard-line refusal to comply with IMF conditions for new credits.

In several of these countries, debt servicing alone gobbles up a third to a half of annual export earnings. In 1981, African countries constituted 20 of the 32 developing countries reported in arrears on external payments; in 1984, they accounted for 10 of the 14 countries whose accounts were submitted to the so-called Paris Club, the international group that renegotiates national public debts.

Unlike many Latin American debtor nations, the Africans owe mainly official debt — to other governments or international financial institutions. But this hardly alleviates their calamity, for governments, like private banks, expect to be repaid. The bulk of Africa's total foreign debt, estimated at \$150 billion in 1983, is owed to Western Europe, which remains the Africans' main trading partner. The United States is, however, also deeply implicated.

This is true not only because of U.S. strategic and political interests in Africa — America needs an African transit point for its Rapid Deployment Force and depends on imports of African minerals — but also because default by Africa's big debtors would severely endanger the global economic system.

What can be done to prevent economic breakdown from provoking political upheaval across the continent? Remedies may include debt rescheduling, a debt moratorium and new credit. The United States should, however, focus on encouraging African countries to become economically self-sufficient, particularly in agriculture. Until they do, they will not remedy their debt crisis or secure the future of the estimated 150 million Africans who are threatened by starvation.

The writer, a professor of black and Puerto Rican studies at Hunter College, is author of "From the Congo to Somalia: U.S. Foreign Policy Toward Africa Since 1945." He contributed this column to The New York Times.

## Allows R

of Sudan. But clearly the root of his problem was financial.

Sudan is hardly alone among African countries caught in protracted debt crises, unable to escape bankruptcy without incurring new loans, often at higher interest rates. Very few of these cash-starved states are solvent enough to follow Nigeria in its hard-line refusal to comply with IMF conditions for new credits.

In several of these countries, debt servicing alone gobbles up a third to a half of annual export earnings. In 1981, African countries constituted 20 of the 32 developing countries reported in arrears on external payments; in 1984, they accounted for 10 of the 14 countries whose accounts were submitted to the so-called Paris Club, the international group that renegotiates national public debts.

Unlike many Latin American debtor nations, the Africans owe mainly official debt — to other governments or international financial institutions. But this hardly alleviates their calamity, for governments, like private banks, expect to be repaid. The bulk of Africa's total foreign debt, estimated at \$150 billion in 1983, is owed to Western Europe, which remains the Africans' main trading partner. The United States is, however, also deeply implicated.

This is true not only because of U.S. strategic and political interests in Africa — America needs an African transit point for its Rapid Deployment Force and depends on imports of African minerals — but also because default by Africa's big debtors would severely endanger the global economic system.

What can be done to prevent economic breakdown from provoking political upheaval across the continent? Remedies may include debt rescheduling, a debt moratorium and new credit. The United States should, however, focus on encouraging African countries to become economically self-sufficient, particularly in agriculture. Until they do, they will not remedy their debt crisis or secure the future of the estimated 150 million Africans who are threatened by starvation.

The writer, a professor of black and Puerto Rican studies at Hunter College, is author of "From the Congo to Somalia: U.S. Foreign Policy Toward Africa Since 1945." He contributed this column to The New York Times.

BEN LANE, Stockholm.

## Show of Hands Fights Racism Among French

PARIS — Half a million French teenagers are sporting a new symbol to fight racial discrimination, a badge that reads "Ne touche pas à mon pote" — "Hands off my buddy."

When Harlem Désir, 25, and a group of friends designed the hand-shaped badge last October, they had no idea the symbol would become so popular. But racism and France's four million foreigners have become a focus of national debate, particularly among young people. Throughout France they are pinning the bright badges to their clothes and plastering walls with anti-racist posters supplied by Mr. Désir's Paris-based group, "SOS Racism."

"SOS is the biggest youth movement since the student uprising of May 1968," said Mr. Désir, who is the son of a French woman from Alsace and a French man from the Caribbean territory of Martinique.

"We set it up after a friend was threatened by communists who claimed he'd stolen a wallet, just because he was black," he said.

At SOS headquarters in one of Paris's dingiest immigrant districts, the telephone hardly stops ringing. Teen-agers call from across the country to report cases of discrimination.

"Skin color was no problem at school or on the street," said Jean-Pierre Chaumont, 22, an SOS organizer. "But the old people now are brainwashing us with their racist hatred."

As in the 1930s, he said, people facing tough times and unemployment are turning on foreign workers as scapegoats.

In recent months there has been a wave of race-related killings in France.

A young Algerian tourist was beaten and thrown from a moving train by four French soldiers. A Moroccan was shot to death for talking to a white woman, and an 11-year-old was paralyzed after being struck by a man irritated by noise made by foreign youngsters.

The last few weeks have seen three attacks — the killing of two North African workers and a bomb attack at a Jewish film festival in Paris that injured 26 persons.

The cinema attack strengthened the efforts of some members of the Jewish and Muslim communities to fight discrimination together.

"They know as well as we do that if blacks and



Harlem Désir

Arabs are in the front line, the Jews are in the second," Mr. Désir said.

Church and community leaders also express indignation over the growing violence and harassment by immigrants.

"I fear I am beginning to feel ashamed of my country, where respect for the dignity of others is beginning to ebb," said Archbishop Jean-Marie Lustiger, the Roman Catholic primate of Paris.

Political leaders, confronted with the re-emergence of the extreme right in France, have welcomed SOS. They see it as a means to combat the rising fortunes of Jean-Marie Le Pen, whose National Front captured nearly 9 percent of the national vote in local elections last month.

Opening the spring session of the National Assembly last week, Prime Minister Laurent Fabius called on the French people to join the "pacifist struggle" against discrimination.

Mr. Le Pen has joined the battle of the badges. His badge, designed to promote his campaign to "Keep France for the French," reads "Hands Off My People."

## Starving 'Other Half' Is Invisible in Addis Ababa

Observers of Famine Bringing Prosperity and Progress to Ethiopia's Capital

By Clifford D. May  
New York Times Service

ADDIS ABABA, Ethiopia — An official sat in his office at the government's Relief and Rehabilitation Commission recently, answering questions about why, in this time of severe drought and famine, Ethiopia still is selling live-stock and other food products to customers abroad.

The official said that none of the goods being exported would be of much use to those in the camps — famished people need enriched grains, not meat and hides — and that Ethiopia had to earn foreign currency to pay for vital imports.

Then, his temper rising, he made a point seldom mentioned in discussions of the country's plight: "Listen, we've got nine million people or so who are starving or close to it. That still leaves more than 30 million Ethiopians who are not starving. Their lives can't just come to a full stop."

There are many people in Ethiopia who not only remain largely unaffected by the famine but also do not even know much about it. Travel is difficult in this mountainous country, and the shocking pictures and descriptions on television and in newspapers in the West do not appear in Marxist-ruled Ethiopia's tightly controlled press.

"Until all the journalists and aid people started coming here, we didn't know what was going on in the north," an Addis Ababa University student said. "I mean, we heard stories, rumors, but we really had no idea it was so bad."

Addis Ababa often seems particularly distant from the famine. There are frequent shortages of bread, salt and other commodities, but that does not make the capital city different from many others across Africa.

Ironically, Addis Ababa has become more cosmopolitan, more lively, and more prosperous since

Ethiopia's agony came to the world's attention.

For months, the city has been overflowing with aid workers from several dozen organizations, photographers, writers, and filmmakers from Iowa to Asia, diplomats and politicians from a score of countries. The grander hotels have long been booked solid. Houses are almost impossible to rent, although new construction is proceeding swiftly. Restaurants tend to be packed. Tennis courts are reserved days in advance.

A fleet of cream-colored government taxis takes the visiting luminaries to meetings, briefings, and ample luncheons and dinners. The cabs tend to avoid the many neighborhoods of concrete shacks with metal roofs rusted to various shades of other. They seldom venture down the packed dirt streets heavily traveled by small donkeys and ancient, gnarled women, all bearing oversized burdens.

Instead, the taxis tend to keep to the wide boulevards, extravagantly decorated with heroic, extraneous monuments, hammer-and-sickle emblems, giant portraits of Marx, Lenin, Engels and Mengistu Haile Mariam, Ethiopia's leader, as well as with banners and billboards inscribed with such slogans as: "Long live proletarian internationalism."

A peculiarly Ethiopian profession is that of the "minder," who accompanies foreigners who want to travel outside the capital. Some of these government employees work hard to be helpful guides and watchdogs. However described, they are now more or less accepted as a fact of life here.

Recently, two British airmen were driving through Addis Ababa and passed one of the ubiquitous posters of Marx, Lenin and Engels.

"Who are those blokes?" one Briton asked the other.

"Marx and Lenin," his companion answered.

"Yeah, O.K., but who's the other one?"

There was a pause. "I don't rightly know," his friend said.

"Reckon it must be their minder."

Refugees from the famine have been barred from Addis Ababa or transported to camps beyond the city limits. Nevertheless, there are many beggars in the streets, just as there are in most African cities.

A diplomat with long experience in Ethiopia only half-jokingly advises newcomers that the most effective way to discourage panhandlers is by reciting the phrase: "Nyet, ya Russki," which means, "No, I'm Russian." There are about 3,000 Soviet citizens in Ethiopia, and among the local population they appear to be noted for neither their generosity nor their congeniality.

When one American tried the maneuver, however, it only provoked gales of laughter from the beggar, who was then sheepishly given the handout he had sought.

The capital is not the only place

that can sometimes seem far removed from the famine. Earlier this year, more than 100 priests gathered on a holy day in the northern city of Lalibela, where in the 12th century a king carved 10 churches from a solid-rock mountainside.

Bearded and gaunt, wearing robes of many colors and carrying umbrellas embroidered with gold to represent the heavens, they perched on the high, narrow ledge of a wall surrounding one of the churches.

There, as dawn broke, they swayed and chanted to the music of drums and bells and mournful horns. Watching the ritual, performed faithfully over many generations, it was almost possible to escape the current concerns and immerse oneself instead in the reassuring continuity of Ethiopia's ancient and enduring culture.

Almost but not quite.

The service was abruptly interrupted by a *bhatene*, a wandering monk and prophet, a holy fool, wearing a ragged coat.

"I have seen on the horizon!" he shouted, his eyes glazed, his arms spread wide. "The rains are coming! Ethiopia has cried enough!"

## Sudan Regime Names Ruling Council, Promises To Examine Islamic Code

The Associated Press

KHARTOUM, Sudan — The new military regime has dismissed the chief justice and formed a council of senior officers to run Sudan until civilian rule is restored.

The regime also accepted a petition from the judges' union seeking a review of "hastily passed laws," indicating it might consider revising the system of Islamic law imposed in 1983 by President Gaafar Nimeiri.

The chief justice, Fuad al-Amin Abdul-Rahman, was known as a strict interpreter of the penal code.

General Nimeiri was overthrown last weekend in a coup led by General Abdul Rahman Swaredadhab, who had been defense minister and commander in chief of the armed forces.

In a televised speech, General Swaredadhab said the military council would "conduct the affairs of sovereignty and legislative authority in the country during the transitional period."

He said he would serve as president of the 15-member council and that General Tag el-Din Abdullah Fadl would be his deputy.

## 2 French Opposition Groups Sign Pact

Main Forces on Right Rule Out Coalitions With Others

The Associated Press

PARIS — France's two main opposition groups signed a unity agreement Wednesday, pledging to oppose any future coalitions with other groups on the left or right and to "govern alone and only alone" should they win next year's parliamentary elections.

The move came as the French cabinet adopted three bills designed to change the current constituency voting system to proportional representation.

The Socialists have been generally expected to lose their majority under the present system. Analysts say that proportional representation could mean that although still in a minority, the Socialists could emerge as the largest single party and a necessary component of any future government.

President François Mitterrand, who names the prime minister, has indicated he plans to complete his term running through 1988. He is a Socialist.

Jacques Chirac, mayor of Paris and leader of the neo-Gaullist Rally for the Republic, or RPR, and Jean Lecanuet, head of the Union

for French Democracy, or UDF, a federation of centrist parties whose chief figure is former President Valéry Giscard d'Estaing, vowed a return to the present single-candidate system if they won power.

The opposition parties rejected "compromises or combinations, whether it be with the extreme right or the Socialist Party," Mr. Lecanuet said.

The statement appeared to rule out possibly crucial support from the extreme-right National Front, which polled over 8 percent in recent nationwide local elections, or a center-left coalition with the Socialists in a fragmented assembly.

Mr. Lecanuet said on television that for the single-round election, the two parties would present either unified or separate lists, according to the situation in each department.

In the current 491-seat assembly, elected in 1981 after the Socialists ended 23 years of conservative rule, RPR holds 80 seats, plus 10 affiliated deputies, and the UDF holds 51, with 12 affiliated.

Last week, the government said it would revise the system for the

March 1986 ballot to proportional representation based on party lists for each department.

The bills that the cabinet approved Wednesday increase the number of deputies by 86, to 577, on a basis of one for every 108,000 inhabitants, with a minimum of two in each department.

A party would have to get at least 5 percent of the vote to win seats. This would exclude currently marginal parties, such as the extreme left and ecologists.



Jean Lecanuet, left, and Jacques Chirac after signing an agreement Wednesday to oppose future political coalitions.

## Israel Allows Reporters to Visit Arab Prison Camp

By Edward Walsh  
Washington Post Service

AL FARAA, Israeli-Occupied West Bank — More than two months after Israel was accused by an international body of abusing Palestinian prisoners at a detention center here, the Israeli Army opened the facility to foreign journalists this week and denied that the prisoners had been mistreated.

Northeast of Nablus, near the village of Al Farqa, the prison is essentially a detention center where prisoners are interrogated before being formally charged in the Israeli military courts that operate in the West Bank.

The facility is clearly overcrowded, with as many as 15 young men sleeping on thin mattresses on the concrete floor of a single cell, but it appeared to be clean and well run. From the guided tour and brief conversations with some of the inmates, it was impossible to verify the accuracy of the assertions made in January by the International Commission of Jurists.

None of the prisoners who spoke to reporters in the presence of prison officials said he had been beaten or otherwise forced to confess to alleged crimes, as the 56-page report by the International Commission of Jurists asserted was a common practice at Al Farqa.

"Here everything is O.K.," said Mohammed Mohammed Blaise, 25, who said he has been charged with writing anti-Israeli slogans on a wall and had refused to confess to the charge. "Most of the prisoners went through interrogation as it should be done. There are no complaints, usually."

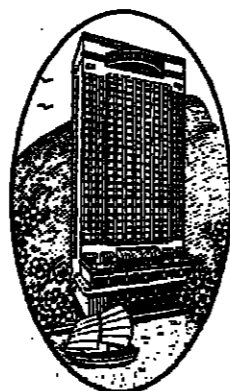
While Israeli Army officers denied mistreating prisoners, they conceded that there were two cases of abuse in the past. It was clear from their comments that the system of interrogating prisoners here improved in January 1984, when a team of army officers who had received special training was sent to

the prison. Prior to then, the officials said, the interrogations were conducted by a mix of army personnel and police.

The report by the International Commission of Jurists involves alleged abuses at the prison from 1982, when the facility was opened, to May 1984.

In Hong Kong  
we are in the Central Business District.  
And yet just minutes from Kowloon.  
You should be, too.

HOTEL FURAMA  
INTER-CONTINENTAL



THE ADVANTAGE IS INTER-CONTINENTAL®

INTER-CONTINENTAL HOTELS

One Connaught Road, 5/25511, Tel: 73081

For reservations call: Tokyo: 2150777,  
Singapore: 2202476, Osaka: 2640666, or call your nearest  
Inter-Continental sales office.

### EXPERIENCE COUNTS!

### NON-RESIDENTIAL DEGREE PROGRAMS

Professors in any field may apply for special distance education programs. These programs are designed to provide a flexible, convenient way to earn a degree or certificate. The University of California, San Diego, offers a variety of non-residential degree programs in fields such as Business Administration, Education, Engineering, Health Sciences, Humanities, Life Sciences, Management, Mathematics, Medicine, Music, Physical Sciences, Social Sciences, and The Arts. For more information, contact the University of California, San Diego, Office of Professional Management, Office of the Dean, Room 11-1, 1000 Gull Drive, San Diego, CA 92161, (619) 594-1600.

CALIFORNIA UNIVERSITY FOR ADVANCED STUDIES

School of Professional Management

Office of the Dean, Room 11-1, 1000 Gull Drive, San Diego, CA 92161, (619) 594-1600.



## Volvo 760 GLE. Tax-free.

When going abroad, whether for work or leisure, you may qualify to buy a new car tax-free.

Buying it through Volvo Tourist & Diplomat Sales will save you a lot of bother. You can safely leave all the paperwork to us.

We take care of all the routine work such as insurance and temporary registration plates.

It saves you time, trouble and sometimes money.

The Volvo Tax-Free Handbook contains everything you need to know about buying a new Volvo through Volvo Tourist & Diplomat Sales. It also contains a full colour presentation of the cars and accessories. Get it free by sending in the coupon.

To Volvo Tourist & Diplomat Sales, S-405 08 Göteborg, Sweden. Please send me the Volvo Tax-Free Handbook and more information about: The Volvo 240 series, The Volvo 340, 360 series, The Volvo 740 series, The Volvo 760 series.

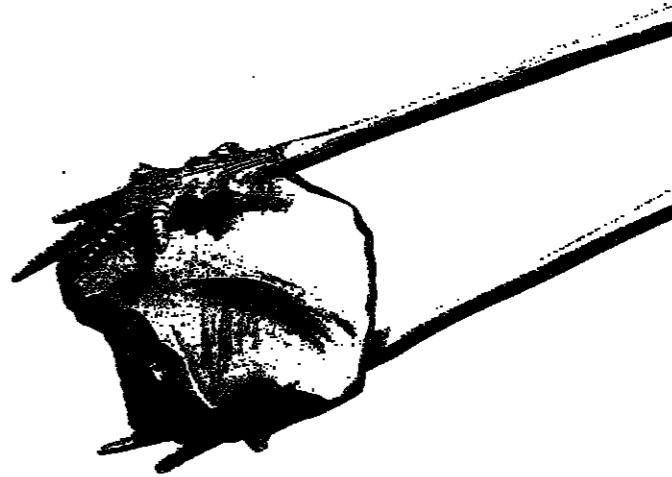
Name \_\_\_\_\_  
Address \_\_\_\_\_  
Zip Code \_\_\_\_\_  
City \_\_\_\_\_  
Country \_\_\_\_\_  
Phone \_\_\_\_\_  
Nationality \_\_\_\_\_  
VOLVO  
Tourist & Diplomat Sales

A small hotel  
on a little street  
called Rodeo Drive.

A Max Baril Hotel

THE BEVERLY RODEO HOTEL

360 N. Rodeo Dr., Beverly Hills, CA 90210. Tel: 913-366



J&B Rare.  
The 24 carat Scotch.



## Mexico Balks at Reagan Proposal on Nicaragua

By Robert J. McCartney  
Washington Post Service  
MEXICO CITY — The Mexican government has balked at endorsing President Ronald Reagan's

proposal for peace talks between Nicaragua and anti-government rebels, marking an apparent split between Mexico and Colombia, the two most prominent members of

the Contadora group seeking a negotiated settlement in Central America.

President Belisario Betancur of Colombia praised Mr. Reagan's initiative last week as "constructive" and sent his foreign minister to Cuba and Nicaragua to urge them to take advantage of the U.S. proposal.

But after a telephone call Monday from Mr. Reagan to President Miguel de la Madrid of Mexico, a Mexican communiqué made it clear that Mexico was withholding its support from the U.S. plan on the ground that it did not want to intervene in Nicaragua's internal affairs.

"It was a diplomatic way of saying no," a Mexican official said.

Mr. Reagan proposed a ceasefire between Nicaragua's Sandinist government and anti-government rebels who were financed by the U.S. Central Intelligence Agency

until last summer. Mr. Reagan also proposed that the two sides hold negotiations to be mediated by Roman Catholic Church officials in Nicaragua, and that Nicaragua hold internationally supervised elections.

Mr. Reagan made the proposal in large part to win U.S. congressional support for \$14 million that he wants to provide to the rebels. For the first 60 days of the peace talks, Mr. Reagan said, none of the \$14 million would be used to buy guns, ammunition or other armaments. If the rebels decided after 60 days of talks that they needed more weapons, however, the money would become available for those purposes.

Nicaragua has rejected the proposal.

The deputy foreign minister of Panama, another member of the Contadora group seeking a peace settlement, signaled that his country was lining up with the Mexicans.

The fourth Contadora member, Venezuela, said officially that the Reagan proposal should be "carefully studied and analyzed" and called for the Contadora group to take "a united position" on it.

A Venezuelan source in New York, where President Jaime Lusinchi has been meeting with bankers, said that Mr. Lusinchi had canceled all of his "media events" Tuesday because Venezuela's position on the Reagan proposal had not been determined. The source said Mr. Reagan called Mr. Lusinchi on Monday to request his support.

"Venezuela is going to see how we can help Mr. Reagan, but we don't want to do it alone," the source said, adding that he could see the truth in the remark of the Reverend Miguel d'Escoto Brockman, Nicaragua's foreign minister, that the Reagan proposal means "Drop dead, or we'll kill you."

The Contadora group, which has been trying to negotiate a Central American settlement for more than two years, has run afoul of U.S. policy in the past. Last autumn Washington pressured its Central American allies to reject a proposed regional treaty drawn up by the four-nation group because the United States felt the pact favored Nicaragua.

The rewriting of that treaty has barely begun, although the Contadora group and the five Central American countries plan to meet Thursday and Friday in Panama to continue the effort.

Robert C. McFarlane, who is Mr. Reagan's national security adviser, said Friday that Mr. Reagan's proposal had the backing of Colombia, Venezuela and Panama but not of Mexico.

The Mexican communiqué, issued by Mr. de la Madrid's office, broadly supported the goal of a negotiated settlement.

## 20 Salvadoran Villagers Are Killed by Guerrillas Who Dressed as Soldiers

The Associated Press  
SANTA CRUZ LOMA, El Salvador — Guerrillas dressed as soldiers attacked a cluster of peasant huts here this week and killed at least 20 of the villagers, residents said. Some of the victims were shot, and some had their throats slashed, the villagers said.

At least seven of the dead were identified Tuesday as off-duty civil defense troops who were dragged from their homes, they said.

Two children and a pregnant woman were among five people killed when a mortar shell struck their house, said Jesus Valles, the commander of the volunteer civil defense forces in Santa Cruz Loma, a cluster of huts 25 miles (40 kilometers) southeast of San Salvador.

Villagers gathered at the house on Tuesday and stared at the bodies. Some people wept and one visitor fingered a rosary. Straw crucifixes on the walls of the one-room cottage, now a rubble of adobe and brick, were not damaged.

The house once had been civil defense headquarters and was used as a gun repair shop. Roberto Dominguez, 27, said he was on patrol when his house was shelled and

machine-gunned and his family inside was killed.

He was the former head of the civil defense in the town and he said the rebels had passed the word earlier that they were going to kill him and his family.

While bodies still lay on the smoldering rubble, the survivors recounted how 300 to 500 leftist rebels approached the village Monday evening and left in the dawn light on Tuesday.

"They arrived on foot and we saw them and shot first," said Mr. Valles. "They shouted up not to shoot, that they were on our side. They did it to confuse us and we stopped shooting. We thought they were part of an anti-insurgency unit. When they got closer we saw they were not soldiers."

By then it was too late to stop them, he said.

On Tuesday afternoon a truck loaded with some of the bodies rumbled down the dusty road, stopping to pick up more bodies along the roadside.

In the nearby town of Santiago Nonualco, relatives identified the bodies, a judge recorded their names and workers shipped them into plain coffins lined with sacks used to hold the sugar harvest.

Curious children lined the rack of the old truck as the adults went about their grim business. When the coffins ran out, they sent word to another town to send more.

"I gave my blessing to all of them, that was all I could do," said a priest who would only give his name only as Father Octavio. He said he had served the village for 35 years.

"I know of at least 20 dead and there is talk of more," the priest said, "but I don't know any more about them."

An army communiqué later said that 25 were killed: 15 members of the civil defense force, three other men, three women and four children.

Some residents complained bitterly that no army troops were sent to help.

It was not immediately clear why the guerrillas attacked the village, which residents said had previously been spared from rebel raids.

The guerrillas have been battling Salvadoran troops for more than five years.

### Danes Receive East German

The Associated Press  
COPENHAGEN — Foreign Minister Oskar Fischer of East Germany began a three-day official visit here Wednesday.



Relatives identifying the dead after a guerrilla attack.

## Brazilian Leader in 'Pre-Coma' After Surgery

United Press International

SAO PAULO — President-elect Tancredo Neves of Brazil, 75, went into a state of "pre-coma" during an abnormal reaction to his sixth operation in four weeks but was in stable condition Wednesday, doctors said.

The operation, a relatively simple tracheotomy, was performed Tuesday under a local anesthetic to aid Mr. Neves's breathing. Doctors

said he had suffered a violent reaction to the anesthetic several hours later.

The president-elect already had undergone five abdominal operations, which have delayed his inauguration as Brazil's first civilian leader in 21 years. Vice President José Sarney has been serving as acting president.

Mr. Neves first underwent sur-

gery March 15 for an inflamed colon only hours before he was to have taken office. After each of Mr. Neves' first three operations, doctors issued optimistic reports but later rushed him back into surgery to overcome new complications.

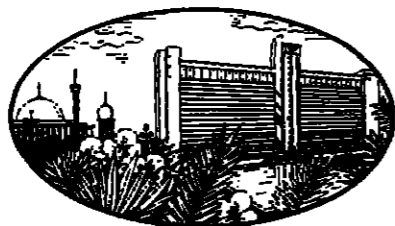
He was reported near death Thursday when the fifth operation was performed to remove an infection spreading through his abdomen.



A woman weeps outside the hospital where Tancredo Neves underwent his sixth operation.

In Jakarta  
there's a superb hotel  
that is more like a  
luxurious country club.

HOTEL BOROBUDUR  
INTER-CONTINENTAL



THE ADVANTAGE IS INTER-CONTINENTAL®

INTER-CONTINENTAL HOTELS

Jalan Lapangan Banteng Selatan, (P.O. Box 329), 370108, Telex: 44156  
For reservations call: Hong Kong: 5-8440311/3,  
Tokyo: 2150777, Singapore: 2202476, Osaka: 2640666,  
or call your nearest Inter-Continental sales office.

## HIGH EFFICIENCY PARIS-CHARLES-DE-GAULLE 2

AIR FRANCE WAS INSTRUMENTAL IN THE CONCEPTION AND CONSTRUCTION OF CHARLES-DE-GAULLE 2. IT IS ONE OF THE MOST MODERN AND EFFICIENT AIRPORTS IN THE WORLD. FOR INSTANCE, YOU NEED ONLY 45 MINUTES TO CONNECT FROM ONE FLIGHT TO ANOTHER. THAT'S THE BEST PERFORMANCE IN EUROPE. AND MAKES CHARLES-DE-GAULLE 2 A VERY SPECIAL GATEWAY TO THE WORLD. IT'S JUST ANOTHER ADVANTAGE OF FLYING AIR FRANCE.

**AIR FRANCE**  
WE'RE AIMING EVEN HIGHER

rown I  
Karal  
Turkey's  
upplyin  
installin  
ntire e  
quipm

later a

completed, the A  
power plant in Turk  
an installed capac  
2000 kilowatts. Equ  
Brown Boveri gene  
ater with BBC tran  
switchgear and the  
system, it will b  
ways largest power  
and facility.

raising the River E  
the Atatürk dam will c  
having a total volu  
200 million cubic me  
the not only to generat  
but also to irrigate a  
and, region of An

again, Brown Bove  
ing a major role in

machine-gunned and his de was killed.  
He was the former lead vil defense in the area. id the rebels had passed im and his family.  
While bodies will be noldering rubble, the ar- ounted how 300 to 500 el, approached the site, ay evening and left in ght on Tuesday.  
"They arrived on foot w them and shot first al- es. "They showed up, hey did it to confuse e, were part of an am- it. When they got over, ey were not soldiers." By then it was too late, em, he said.  
On Tuesday afternoon, aded with some of the mbled down the de- opping to pick up m- ing the roadside.  
In the nearby town of S, onal relatives, who- dies, a judge reas- mes and workers ap- to plant coffins lined ed to hold the sugar be- Curious children look- the old truck as the- out their grim haun- e coffins ran out, the- another town to see- "I gave my blessing- em, that was all I cou- priest who would on- ure only as Father St- id he had served the vil- ars.  
"I know of at least 30- id, is talk of more," id, "but I don't know- out them."  
An army communique- at 25 were killed, 13- e civil defense force, en, three women and- en.  
Some residents compl- ily that no army troop- help.  
It was not immediately- e guerrillas attacked- rich residents said had- ren spared from rebel- the guerrillas have be- dladran troops for ne- re years.

anes Receive East C  
The Associated Pr  
COPENHAGEN — I-  
minister Oskar Fishe-  
army began a three-  
at here Wednesday

DE WAS INSTRUMENTAL  
DEPT. ON AND CONSTR-  
CHANGES DE GAULE-  
OF THE MOST MODERN  
DEPT. AIRPORTS  
OF  
AND YOU NEED ONLY  
EE TO CONNECT FROM  
TO ANOTHER  
EAST PERFORMANCE  
AND MAKES CHARLES-  
A VERY SPECIAL GATHE-  
OF  
AND OTHER ADVANTAGES  
RECEIVE

GE  
HIGHER

## SCIENCE

### IN BRIEF

#### Electricity Said to Spur Plant Growth

**LONDON (NYT)** — Researchers are finding evidence that plant cells' sensitivity to electric current can be exploited to enhance their growth. "Until recently, only a limited amount of attention has been paid to the very tiny but steady currents which most if not all organisms pump through themselves and which appear to play a vital part in controlling their growth and differentiation," two scientists of the Imperial College, London, reported in the monthly journal Bio-Technology.

The researchers, K. S. Rathore and A. Goldworthy of the college's department of pure and applied biology, applied direct current of about a millionth of an ampere to cells of tobacco plants growing in laboratory flasks. They reported that the growth rate was stimulated by about 70 percent when the culture was made negative, but that current in the reverse direction slightly inhibited growth.

#### Neanderthal Bones Found in Siberia

**MOSCOW (UPI)** — Soviet scientists have reported the discovery of the bones of Neanderthal man in southern Siberia, sharply expanding the area believed to have been inhabited by the predecessor of modern man. "The notion that Siberia was populated by men of a modern physiological type who came from other regions of the world has been convincingly refuted," A. Derevyanko, director of the Institute of History, Philology and Philosophy of the Siberian branch of the U.S.S.R. Academy of Sciences, told Tass. "It can now be affirmed that thinking man evolved in Siberia as well."

The report, calling the discovery a "world-class find," said the bones of Neanderthal man and animals that he was probably hunting were found in a small cave in the Gorny Altai region, more than 2,000 miles (3,200 kilometers) east of Moscow. Neanderthal man, named for the site in West Germany of the original discovery more than a century ago, is best known from the caves of Europe.

#### U. S. Submarine Dives to 20,000 Feet

**WASHINGTON (UPI)** — The Sea Cliff, a deep submergence research vehicle, recently completed a successful dive of 20,000 feet (6,100 meters) off the Pacific coast of Central America, the U.S. Navy has announced. The 25-foot submersible is believed to be the only underwater boat of its class that can now operate independently at 20,000 feet "or more," the navy said. The dive into the Middle America Trench off the Pacific coast of Central America was the last in a series of depth tests after a redesign incorporating a titanium hull and silver zinc battery. The navy said the vehicle's new operating level provides access to more than 98 percent of the world's ocean floor.

#### Astronomer Uses New Mirror Method

**TUCSON, Arizona (NYT)** — An astronomer at the University of Arizona has developed a technique of casting glass mirrors that could revolutionize optical telescopes and reduce their cost, according to the National Science Foundation.

The technique calls for mounting a furnace on a turntable. The furnace spins as it melts its charge of solid glass, and the centrifugal force forms a steeply curved face to the mirror, which eliminates much of the time and expense of grinding the glass into shape.

Dr. Roger Angel has just used the new technique to produce an experimental mirror 6 feet (1.8 meters) in diameter. When the mirror was examined after it cooled, he said, it was found to be flawless. The casting of the mirror is one step in a series of trials that Dr. Angel hopes will result in lightweight, inexpensive mirrors of about 26 feet in diameter, 9 feet wider than the mirror in the telescope at Mount Palomar in California, the largest optical telescope in the world.

#### Panel Reports on Brain Disorders

**WASHINGTON (AP)** — Many cases of babies born with brain disorders cannot be blamed on negligence or any other avoidable cause, a National Institutes of Health panel has reported.

The panel, in releasing a report on brain disorders in the newborn, said doctors rarely can pinpoint a specific event in the development of a baby that bears sole responsibility for a brain disorder. While a number of events can be factors, such as trauma or decreased oxygen supply during labor, it is difficult to find a specific cause, the report said.

Dr. John M. Freeman of Johns Hopkins Hospital in Baltimore, the panel chairman, said people increasingly want to know the cause of defects in their newborns, sometimes in order to attach blame.

By Malcolm W. Browne

New York Times Service

**WHATEVER** finally comes of President Ronald Reagan's proposed "star wars" defense against nuclear missiles, research at the United States' weapons laboratories promises a bumper crop of spinoff discoveries and gadgets, many of which will spur progress in medicine, industry and basic science.

Scientists at such weapons laboratories as Lawrence Livermore in California, Los Alamos in New Mexico and Oak Ridge in Tennessee say their projects will benefit pursuits as arcane as the analysis of supernova explosions and as mundane as the processing of vegetables. Instruments, machines and ideas being developed in connection with weapons programs may help detect cancer in its early stages, screen people for genetic defects, custom-grind contact lenses and win back the America's Cup.

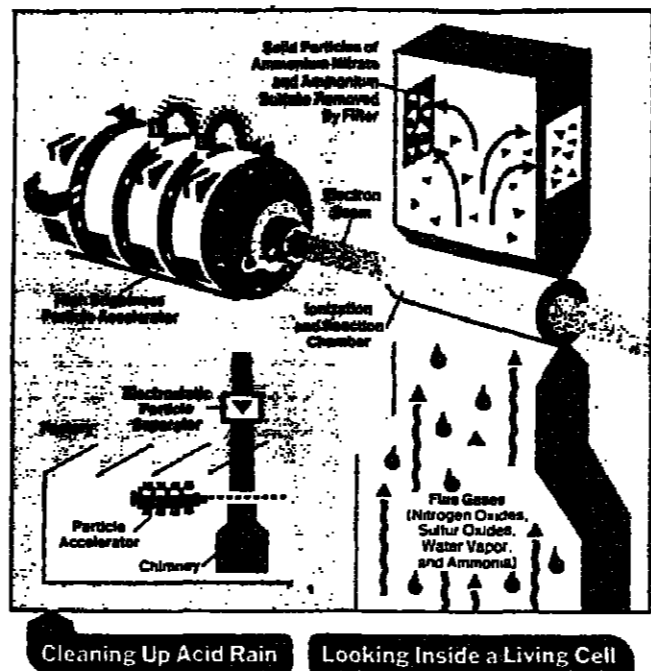
Of the \$100 million the government is expected to spend on Strategic Defense Initiative research in the coming year, most will go for projects having little immediate bearing on peaceful applications. Critics of the presidential initiative argue that the money would be better spent directly on civilian research.

Still, the development of military hardware has often enriched science and technology, and the trend is certain to continue. World War II, for example, speeded the development of jet aircraft, space flight, antibiotics and nuclear energy. Among the spinoffs of the atom bomb program was the creation of an artificial element called americium, the essential ingredient in smoke detectors.

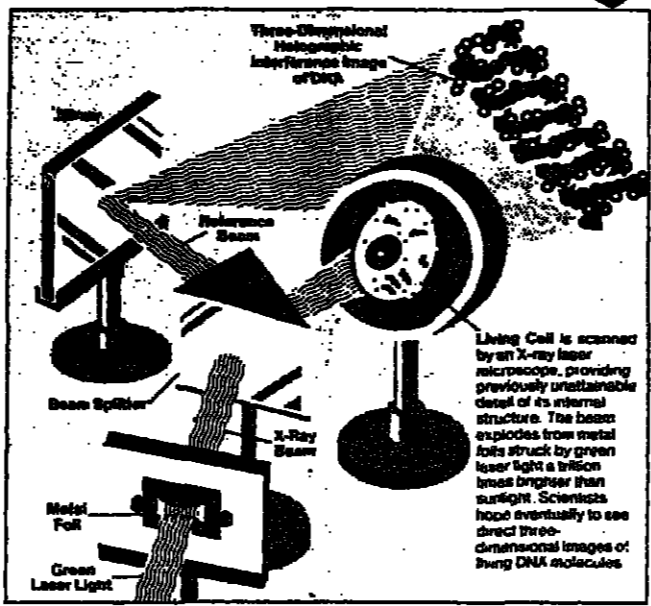
**T**HE beams of laser light and charged particles that may one day be used in warfare show particular promise as tools for peaceful research and medicine. A case in point is the deadly X-ray laser, which may soon begin revealing the mechanisms of life in detail.

Military designers are interested in building an X-ray laser weapon, mainly because it could deliver vastly more destructive energy to a distant target in space than is possible using conventional lasers. But producing a cascade of X-rays requires a great amount of energy. One way of creating such energy is to pump the laser with a nuclear explosion. The first bomb-powered X-ray laser was successfully exploded five years ago at the Nevada test site.

Aside from its weapons applications, the X-ray laser has excited



Cleaning Up Acid Rain Looking Inside a Living Cell



Scott MacNeil/The New York Times

biologists, chemists and physicists because of its possible use in a supermicroscope, an instrument that perhaps will be capable of taking holographic three-dimensional movies of the genetic code of a living cell. And efforts are being made to supply it with power without nuclear devices.

Last October, researchers at Livermore reported success with their Novette laser, a machine that fills a building the size of an aircraft hangar. Green laser light approximately a trillion times more powerful than ordinary sunlight was focused on foils of two metals, selenium

and yttrium, causing the foils to explode and emit thin laser beams of intense X-ray light.

Many problems remain to be solved before X-ray lasers become common research tools. But according to Dennis L. Mathews, the physicist in charge of the Livermore project, the goal is in sight.

The results will be dramatic, not only because of the penetrating power of X-rays, but because X-rays have much shorter wavelengths than visible light and can therefore pick out finer details than the most powerful light microscope. An X-ray laser microscope

would also have important advantages over an electron microscope, in that it could look directly at a live specimen.

"I would guess that we're going to see the first X-ray hologram one or two years from now," Dr. Mathews said recently. "It may be rather crude — perhaps showing just the gross internal structure of a cell. But refinements will come rapidly, and eventually, I think, we'll be able to make holographic pictures even of living DNA molecules, the molecules that make up the genetic code."

The potential of weapons-related inventions for advancing medical research has become so impressive that private business organizations have begun to exploit them. At Los Alamos laboratory, for example, scientists devised an optical instrument using circularly polarized light. Realizing its commercial potential if it could be adapted to clinical research, a group of business people paid the laboratory \$4 million in venture capital to develop a marketable product. The result was an instrument that can make fast, inexpensive assays of viral components of blood.

The development of death-ray technology could also lead to safer fruits and vegetables on supermarket shelves and might even help safeguard the continent's forests from acid rain, scientists say. The tool that could do these things, a powerful miniature particle accelerator called the High Brightness Test Stand (HBTS), already exists.

**A**CCORDING to the machine's developer, Stephen Mathews, also a physicist at Livermore, the HBTS was invented using a system called magnetically switched linear induction acceleration to produce a very intense beam of high-energy electrons. This beam, in turn, powers a device called a free-electron laser — one of the candidates for development as a space weapon. But Dr. Mathews has conceived some unexpected uses for the accelerator, which is only about six feet long (1.8 meters) and which could be manufactured to sell for about \$1.5 million.

He proposes using the little accelerator to kill insects, including the Mediterranean fruit fly, larvae and parasites that infest freshly harvested fruit and vegetables. His idea is to direct the electron beam from the accelerator at a metal target, thereby producing an intense X-ray beam that could irradiate food products. Irradiation would replace the chemical fumigation used on many crops thereby eliminating all chance that such poison-

ous fumigants as ethyl bromide might cling to the produce.

Livermore's baby particle accelerator is also undergoing tests as a device for removing gases from industrial chimneys, which are believed to be a major cause of acid rain. Unlike solid particles of soot, these gases cannot be filtered from smoke or removed by conventional electrostatic anti-pollution devices. But the particle accelerator would hurl a powerful beam of electrons through the chimney gas, thereby ripping apart gas molecules of sulfur and nitrogen oxides. Farther up the chimney, ammonia gas and water vapor would be pumped in, and as the molecular components recombined they would form solid particles of ammonium nitrate and ammonium sulfate, which could be filtered out easily.

Dr. Mathews said that laboratory tests have shown 90 percent to 100 percent of the acid-forming fumes

gases can be removed by the electron-beam technique.

The batteries of supercomputers operated by the weapons laboratories, when not employed in designing weapons, are being used to develop mathematical models helpful to astronomers, weather forecasters, shipbuilders and others. The mathematical modeling of events that take place inside a hydrogen bomb explosion, for instance, is applicable to the explosion of a supernova star.

Computer modeling of the turbulent flow of gases, important factors in a nuclear explosion, may have some bearing on global weather patterns and forecasting. Another type of computer modeling under development at Livermore and elsewhere is expected to help in the design of boat and ship hulls. A current project aims at improving yacht design for the next America's Cup regatta.

### Effects of Iodine Deficiency Cause Alarm in Himalayas

By Erik Eckholm

New York Times Service

**NEW DELHI** — Health experts along the southern fringe of the Himalayas have become alarmed by recent evidence that a lack of iodine in the diet is dooming millions of children to mental and physical disabilities.

The findings are that the damage from iodine deficiency is far worse than previously suspected, and the governments of India, Nepal and Bhutan are adopting emergency measures.

Because of the subtle effects of iodine deficiency on brain development, one international health specialist said, in some of the worst-affected Himalayan villages nearly half the children appear to be virtually uneducable and unemployable except for the simplest tasks.

The mountains and plains of northern India, Nepal and Bhutan have become known in medical circles as the "Himalayan goiter belt." The soils and waters of the Himalayas are so lacking in natural iodine that even the goats develop goiters, the enlargement of the thyroid gland that is the body's adaptation to the deficiency. In some mountain cultures, people with smooth necklines were once regarded as oddities.

Health officials have viewed the "goiter problem" as a minor threat compared with the hunger, filth and epidemic diseases that blight

the region. Goiters are seldom life-threatening.

But the new evidence linking the lack of dietary iodine to widespread mental and physical impairments is now spurring governments into more intensive action.

Teams of health workers, often traveling by foot over rugged terrain, are injecting millions of potential mothers with megadoses of iodine. Iodine is crucial to normal development of the brain and central nervous system in the growing fetus and infant.

The governments are now also moving decisively to require the iodization of consumer salt. Earlier in this century, the disorders that resulted from iodine deficiency were largely eliminated in Europe and the United States through this simple measure.

Today, half a billion people in large areas of Asia, Africa and Latin America remain vulnerable to iodine deficiency, according to Dr. John Stanbury, an endocrinologist at the Massachusetts Institute of Technology. He and other experts blame government inertia and ignorance about the severity of the problem.

"The iodine problem is on the subtle side," he said. "It doesn't jump out at you like polio or smallpox."

Worldwide, hundreds of millions of people — 40 million in India alone, researchers estimate — live with goiters under their chins.

# Brown Boveri play a major role at Karakaya and Atatürk hydroelectric power plants— Turkey's largest— supplying and installing the entire electrical equipment.

## Water and power

When completed, the Atatürk hydro power plant in Turkey will have an installed capacity of 2 400 000 kilowatts. Equipped with Brown Boveri generators together with BBC transformers, switchgear and the entire control system, it will be the country's largest power-generating facility.

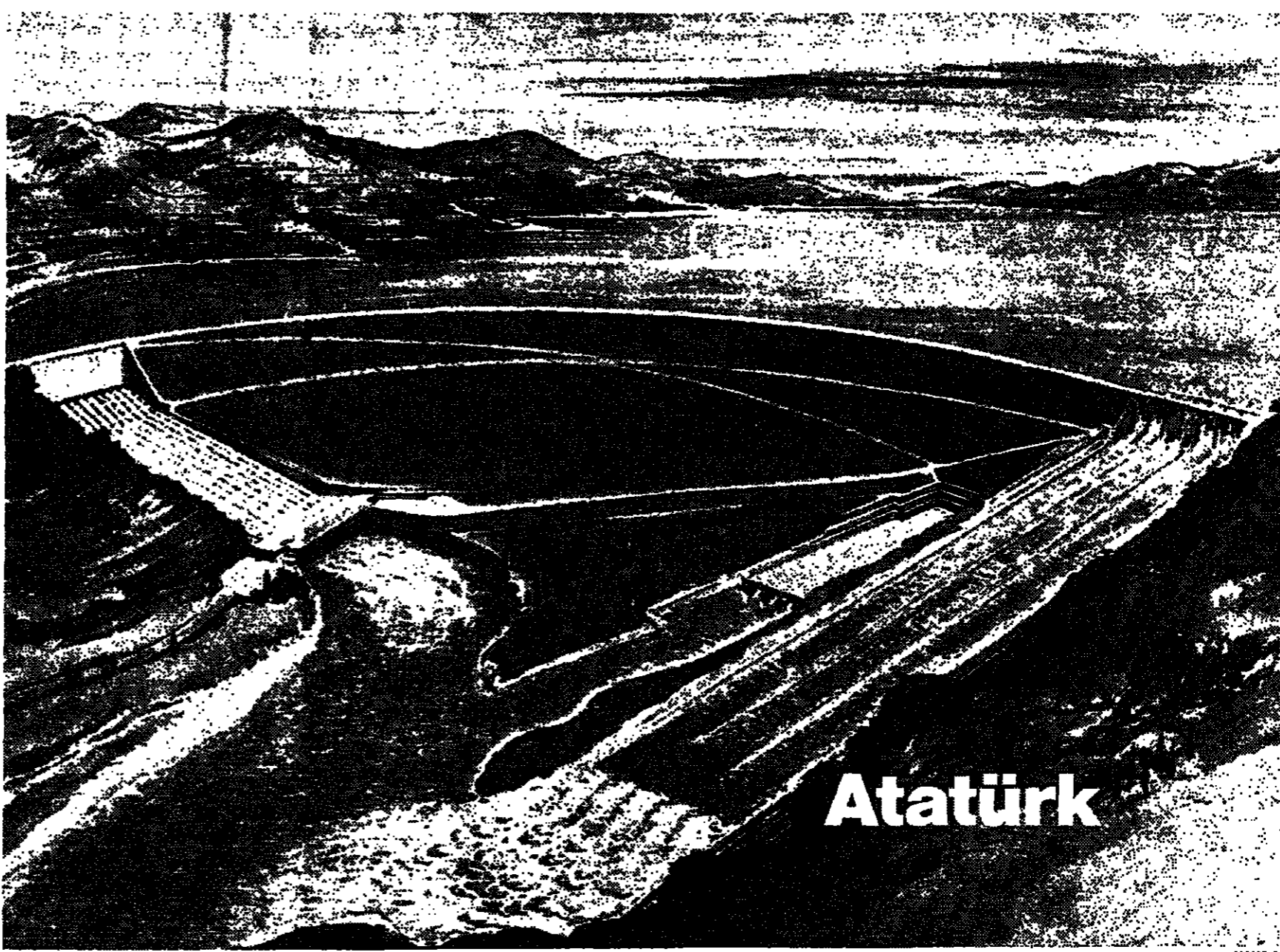
Harnessing the River Euphrates, the Atatürk dam will create a lake having a total volume of 48 700 million cubic meters of water. Not only to generate electricity, but also to irrigate a fertile, but still arid, region of Anatolia.

Yet again, Brown Boveri are playing a major role in Asia Minor.

For back in 1977 BBC were entrusted with supplying all the electrical equipment for the Karakaya hydro plant of 1 800 000 kW. This is a second-stage dam on the Euphrates, some 180 km upstream from Atatürk.

The new project illustrates one of Brown Boveri's strengths: the ability to manufacture in different countries to the same high quality standards. Components will be made at BBC factories in Switzerland, Germany and Italy.

BBC play a major role in providing the world with facilities for generating, distributing and utilizing electricity. And often with such success as to invite a repeat performance.



Atatürk

Competent · Dependable · Worldwide

**BBC**  
BROWN BOVERI

For further information please consult your local BBC agency or write to: Switzerland: BBC Brown, Boveri & Company, Ltd., P.O. Box 58, CH-5401 Baden; Federal Republic of Germany: Brown, Boveri & Cie. Aktiengesellschaft, Postfach 351, D-6800 Mannheim 1; Austria: Österreichische Brown Boveri-Werke AG, Postfach 184, A-1101 Vienna; Brazil: BBC Brown Boveri S.A., Caixa postal 975, 06000 Osasco (SP); Canada: BBC Brown Boveri Canada Inc., 2260 Place du Canada, Montreal, Que., H3B 2N2; France: BBC Brown Boveri France S.A., 21, rue des Trois-Fontaines, Parc de la Défense, F-92024 Nanterre Cedex; Great Britain: British Brown-Boveri Ltd., Darby House, Lawn Central, GB-Telford, Shropshire TF3 4JB; Italy: Tecnomasio Italiano Brown Boveri S.p.A., Casella postale 10225, I-20110 Milano; Norway: A/S Norsk Elektrisk & Brown Boveri, Postboks 263-Skøyen, N-0212 Oslo 2; Spain: Brown Boveri de España S.A., Apartado 38127, E-Madrid 16; USA: BBC Brown Boveri Inc., 2, Gannett Drive, White Plains, NY 10604; other countries: BBC Brown, Boveri & Company, Ltd., Brown Boveri International Group, P.O. Box 58, CH-5401 Baden, Switzerland.







## BUSINESS ROUNDUP

## Daimler-Dornier Talks Are Said to Intensify

By Warren Getler  
International Herald Tribune

FRANKFURT — Talks concerning the acquisition of a majority stake in Dornier GmbH by Daimler-Benz AG have reached an intensive phase, Daimler officials said Wednesday.

But Daimler officials, who asked not to be identified, cautioned that although they are "hopeful" about gaining majority control of the family-owned Dornier group, they do not foresee a decision by Dornier's six family shareholders before the end of the year.

Dornier's shareholders were unavailable for comment Wednesday. Sources at Daimler's headquarters in Stuttgart said several months of "sensitive" discussions between the automaker and Dornier's owners have yet to produce a definitive answer from the shareholders whether the group is prepared to sell any portion of its stake.

A majority stake in Dornier, West Germany's second-largest aviation and aerospace group, which is expected to report 1984 sales of around 16 billion Deutsche marks (\$507 million), could fetch up to \$500 million from prospective buyers, analysts said.

Sensitivity about the talks stems from what is understood to be a family rift over the direction of Dornier between a group of shareholders led by Claus Dornier, 70, and another led by his step-brother, Justus Dornier, 48.

Claus Dornier has recently indicated his desire to sell his 12.6 percent stake.

Observers speculate that Claus Dornier's brothers, Peter and Silvanus, with 8.2 percent and 12.8 percent stakes, may also be interested in selling their shares to Daimler. The fate of the 27.8 percent share of Anna Dornier, the widow of company's founder, remains clouded.

A takeover of Dornier, based in Friedrichshafen, would strongly underpin Daimler's efforts to secure a foothold in aerospace, aviation and various high-technology fields, Daimler sources said. Such diversification, officials said, would help offset anticipated further stagnation in the European heavy-truck market, an area in which Daimler is dominant.

In February, Daimler announced that it had acquired full control of MTU Motoren und Turbinen-Union München GmbH, a maker of airplane and automotive engines with annual sales of 2.2 billion DM.

Daimler previously had held a 50 percent stake in MTU, as did Maschinenfabrik Augsburg-Nürnberg AG. Analysts estimate Daimler paid MAN 500 million DM for its stake.

The government of Baden-Württemberg, the state in which both Daimler-Benz and Dornier are based, has said it hopes to see a "Baden-Württemberg solution" to any new configuration in Dornier's ownership.

The Bavarian premier, Franz Josef Strauss, is understood to want Dornier to continue its existing operations in Munich and to expand them in Bavaria.

The government of Baden-Württemberg, the state in which both Daimler-Benz and Dornier are based, has said it hopes to see a "Baden-Württemberg solution" to any new configuration in Dornier's ownership.

The Bavarian premier, Franz Josef Strauss, is understood to want Dornier to continue its existing operations in Munich and to expand them in Bavaria.

## Mohawk Data, Datapoint Corp. To Merge Units

New York Times Service

NEW YORK — Datapoint Corp. and Mohawk Data Sciences Corp. said they would combine their computer services businesses in a two-step transaction. They declined to put a value on the accord.

The two companies said Datapoint would spin off its service business to shareholders on a tax-free basis, creating a new, publicly traded subsidiary. The subsidiary would then buy Mohawk's customer-service division for an undisclosed price.

The transaction would bring together two companies controlled by Asher B. Edelman, the New York financier. Both companies have encountered financial difficulties recently.

If approved by both boards, the transaction would create the largest third-party service concern in the computer industry, with revenues of more than \$200 million, according to Edward P. Gistano, Datapoint's president and chief executive.

It would also allow the cash-hungry Mohawk to pay a substantial portion of its \$140-million bank debt, according to Francis P. Lucier, Mohawk's chairman.

## Unocal Shares Tumble On Takeover Rumors

By Robert J. Cole

New York Times Service

NEW YORK — Shares of Unocal Corp. slid \$1.75 Tuesday, to \$48, in heavy trading amid Wall Street rumors that the company might try to buy another major oil producer to frustrate a takeover attempt by a group led by T. Boone Pickens, the chairman of Mesa Petroleum Corp.

The company most widely mentioned as Unocal's possible target is Diamond Shamrock Corp. of Dallas. Diamond Shamrock's stock climbed \$1.25 on the rumor, to \$20.50, also in heavy trading.

Only three months ago, Diamond Shamrock broke off a \$3.3-billion merger transaction with Occidental Petroleum Corp., but left little doubt that it was still open to other merger talks. Based on the Occidental talks, Diamond Shamrock appeared to be on the block for about \$25 a share.

Neither Unocal nor Diamond Shamrock would comment on Tuesday's market rumors, but analysts said that nothing should be read into the silence. Such rumors are commonplace on Wall Street, and companies rarely comment on them.

Mr. Pickens, who heads a group that owns 13.6 percent of Unocal stock, said Sunday that he would pay \$54 a share, or \$3.46 billion, for enough stock to give him 51 percent control of the company — if he could raise the money.

Tuesday, however, Wall Street traders began lightening their stakes in Unocal over fears that Mr. Pickens might have difficulty raising money for the takeover or might even resort to "greenmail" that is, sell his huge stake in the company back to Unocal.

A key ingredient in Wall Street fears, traders said, is the possibility that Unocal might slow Mr. Pickens by buying another company.

As analyzed by traders with millions of dollars at stake, if Unocal were to issue, say, 75 million shares to buy Diamond Shamrock, Mr. Pickens's cost to buy Unocal would jump at least \$4 billion. Such an increase in Unocal's price would probably put the company beyond Mr. Pickens's reach, analysts say.

Wall Street analysts estimated that Unocal's stock price would drop to \$38 or \$40 if Mr. Pickens withdrew or were defeated.

Mr. Pickens could not be reached for comment but a close associate, David H. Batchelder, voiced confidence that the funds would be raised. He said investors would commit the first half of the \$3 billion being sought by the Wall Street house of Drexel Burnham Lambert Inc. by Friday, collecting \$11.25 million in commitment fees for the money.

In a separate development, Unocal said in response to questions that Goldman, Sachs & Co. and Dillon, Read & Co. had been retained as financial advisers.

## J.P. Morgan Net Increased 12.7% In First Quarter

United Press International

NEW YORK — J.P. Morgan & Co., parent of Morgan Guaranty Trust Co., the fifth-largest bank in the United States, said Wednesday that first-quarter earnings rose 12.7 percent from a year earlier, to \$164.6 million, or \$1.83 a share, from \$146 million, or \$1.66 a share.

Lewis T. Preston, chairman, told shareholders at the corporation's annual meeting that Morgan increased its primary capital by \$500 million in the past 12 months, to \$4.7 billion.

Much of Morgan's earnings increase came from higher net interest earnings and from a lower provision for credit losses that were offset by lower earnings in most non-interest sectors, he said. Net interest income rose to \$428.5 million from \$372 million in the 1984 first quarter.

Provision for possible credit losses was reduced to \$30 million from \$45 million a year ago. The total allowance for possible credit losses stood at \$598 million on March 31, compared with \$559 million a year earlier.

Non-accrual loans, those on which little or no interest is being paid, rose to \$870 million from \$604 million a year ago.

## Chase Manhattan to Buy 2 Ohio Savings Banks

Compiled by Our Staff From Dispatches

COLUMBUS, Ohio — Chase Manhattan Corp. announced Wednesday that it will acquire the Mentor Savings Bank of Mentor, Ohio, and the Federated Savings Bank of Cincinnati for a combined price of \$7.4 million.

Arthur F. Ryan, an executive vice president of Chase, said his institution will pay \$6.8 million for the Mentor thrift and \$600,000 for the Cincinnati savings and loan. He said Chase has received state approval to acquire the two institutions and has filed applications with the Federal Reserve Board and the Federal Savings and Loan Insurance Corp. for final approval.

Mentor Savings Bank has assets of \$114 million and 25,000 accounts. Federated reported assets of \$53 million and 7,300 accounts. Mr. Ryan said Chase will seek state legislation to permit it to operate as a commercial bank in Ohio, in that case, he said, the two thrift units would be merged under the Chase umbrella.

"We see these acquisitions as a first step in helping resolve the savings-and-loan problem in Ohio," Mr. Ryan said. "We believe we can offer competitive rates."

In other developments, the president of the collapsed Home State Savings Bank and three other top officers have been dismissed by the state-appointed conservator who has taken over operation of the closed savings and loan.

John Hartman, one of the state-hired attorneys representing conservator Arlo Smith, said Tuesday that the executives were dismissed before Mr. Smith filed a lawsuit against Home State's owners and executives. He said the firing was because of the conservator's allegations against them.

"I think when you're going to allege that they've done things wrong and cost the institution \$140 million, it's inconsistent to keep them on the payroll," Mr. Hartman said.

The conservator has charged that negligence or improper actions by management led to the March 8 collapse of Home State, a Cincinnati-based thrift with 33 offices in southern and central Ohio.

Chemical New York Corp., parent of Chemical Bank, has signed a letter of intent to acquire Home State for undisclosed terms. State officials have said the sale could be completed this week.

At its meeting Tuesday, the board also authorized the Ohio Department of Commerce to hire the investment banking firm of Kidder, Peabody & Co. for \$200,000, plus up to \$500,000 in expenses, to advise on terms of the sale of Home State, perhaps later this week, to Chemical New York Corp.

Thirty-nine state-chartered savings and loans have reopened since Governor Richard F. Celeste closed 70 on March 15. (UPI, AP)

Gold Options (updates in \$/oz.)				
Month	May	Aug	Nov	
300	14.50-14.50	14.50-14.50	14.50-14.50	
350	14.50-14.50	14.50-14.50	14.50-14.50	
400	14.50-14.50	14.50-14.50	14.50-14.50	
450	14.50-14.50	14.50-14.50	14.50-14.50	
500	14.50-14.50	14.50-14.50	14.50-14.50	
550	14.50-14.50	14.50-14.50	14.50-14.50	
600	14.50-14.50	14.50-14.50	14.50-14.50	
650	14.50-14.50	14.50-14.50	14.50-14.50	
700	14.50-14.50	14.50-14.50	14.50-14.50	
750	14.50-14.50	14.50-14.50	14.50-14.50	
800	14.50-14.50	14.50-14.50	14.50-14.50	
850	14.50-14.50	14.50-14.50	14.50-14.50	
900	14.50-14.50	14.50-14.50	14.50-14.50	
950	14.50-14.50	14.50-14.50	14.50-14.50	
1000	14.50-14.50	14.50-14.50	14.50-14.50	

Valuable White World S.A.  
1, Chemin de Mont-Bell  
1201 Geneva 1, Switzerland  
Tel. 31 62 51 - Telex 28 365

Weekly net asset value  
**Tokyo Pacific Holdings N.V.**  
on April 8, 1985: U.S. \$138.46.  
Listed on the Amsterdam Stock Exchange  
Information: Pierson, Hekking & Pierson N.V.,  
Herengracht 214, 1016 BS Amsterdam.

## FCA Rejects Offer By Former Chief

United Press International

LOS ANGELES — Financial Control Associates has rejected an offer by its former chairman, Charles W. Knapp, to buy more than \$1 billion in problem loans written while he headed the firm.

In a letter Tuesday, the FCA board made it clear that its current management was not interested in doing further business with Mr. Knapp. The board removed Mr. Knapp from his job with the company last summer during a \$6.8-billion run on its subsidiary, American Savings & Loan Association.

Mr. Knapp's group, Trafalgar Holdings Ltd., said it was "disappointed that the company considers us adversaries and has summarily rejected the offer, particularly since there appears to be no alternative plan of disposition."

The proposal states that if the anti-takeover provisions were not revoked, Sir James still would seek to amass stock in the paper and forest products company, but only if a minimum of 51 percent of the stock is tendered.

Under that circumstance, the offer said, Sir James would not be bound by the \$42.50-a-share price or other terms of the offer and he would not commit himself to further purchases.

## Goldsmith Bids for 70% of Zellerbach

New York Times Service

NEW YORK — Sir James Goldsmith, the British industrialist, on Wednesday made a formal offer for as much as 70 percent of Crown Zellerbach Corp. at \$42.50 a share, if the company withdraws a complex anti-takeover provision.

The offer caps a four-month-long campaign by Sir James and came as Zellerbach's board of directors was scheduled to meet.

The proposal states that if the anti-takeover provisions were not revoked, Sir James still would seek to amass stock in the paper and forest products company, but only if a minimum of 51 percent of the stock is tendered.

Under that circumstance, the offer said, Sir James would not be bound by the \$42.50-a-share price or other terms of the offer and he would not commit himself to further purchases.

United Press International said it has notified a New York brokerage firm to cease distribution of an unauthorized solicitation for equity purchase in the news service. UPI said the brokerage company had acted without its consent.

## COMPANY NOTES

Armedo Inc., a financially troubled steelmaker, said it has reached an agreement with its principal bank lenders that extends its debt obligations and provides it with \$300 million of new credit. The agreement covers \$485 million of Armedo's outstanding debt, the company said.

CBS Inc., in a federal court suit, accused Ivan F. Boecky of making false and misleading statements to the Securities and Exchange Commission when he acquired an 8.7 percent stake in the company. The suit asks the court to order the financier to divest his CBS stock.

Chase Manhattan Corp.'s Spanish unit has an agreement in principle to buy Spain's Banco de Finanzas, banking sources said.

Computervision Corp. said it had laid off 950 employees, or 14 percent of its work force, because of a slowdown in sales. The Massachusetts-based company also said that 50 top officers would take "significant" pay cuts.

Essilor International SA, the optical-glass maker, said final results for 1984 were unchanged from the preliminary report. The company had reported that consolidated revenue rose 16.8 percent from a year earlier, to 2.87 billion francs (about \$287 million).

General Motors Corp. said it would close its engine-block foundry in Pontiac, Michigan in a move that will displace about 2,000 workers. Last year, GM closed a foundry in Tonawanda, New York. UPI said the brokerage company had acted without its consent.

Co. of Japan for undisclosed terms. TRT converts woven goods and dyes, finishes and prints fabrics.

Kowloon Motor Bus Co. plans a one-for-eight rights issue at 5 Hong Kong dollars (64 cents) apiece to raise about 116.5 million dollars, a company spokesman said.

Mitsubishi Heavy Industries said it, Mitsubishi Corp. and Cerrey S.A. de CV, a Mexican boiler maker, have jointly won a 22-billion-yen (\$86.6-million) order for two boilers from Comision Federal de Electricidad de Mexico.

Sharp Corp. said it and RCA Corp. have signed an agreement to set up a joint company to develop, design, produce and market complementary metal-oxide very large integration-type semiconductors in the United States.

Sperry Corp. said it has concluded an agreement with the Queensland, Australia department of industrial development under which Sperry will make personal computers at a new plant in Brisbane. The company said the plant is expected to be in operation by early 1986.

Toshiba Corp. said it and United Technologies Corp. have set up a joint company to develop, produce and market fuel-cell power plants. Fuel-cell power plants convert the chemical energy of a fuel directly into electrical energy.

United Press International said it has notified a New York brokerage firm to cease distribution of an unauthorized solicitation for equity purchase in the news service. UPI said the brokerage company had acted without its consent.

\$65,000,000

## Telepictures CORPORATION

8 3/4% Convertible Subordinated Debentures Due April 1, 2005  
(Interest Payable April 1 and October 1)

The Debentures are convertible at any time prior to maturity, unless previously redeemed, into shares of Common Stock of the Company at a conversion price of \$27.75 a share, subject to adjustment in certain circumstances.

Price 100%

Copies of the Prospectus may be obtained in any State only from such of the several Underwriters, including the undersigned, as may lawfully offer the securities in such State.

Shearson Lehman Brothers Inc.  
Allen & Company Incorporated  
Furman Selz Mager Dietz & Birney  
Bear, Stearns & Co. The First Boston Corporation Donaldson, Lufkin & Jenrette  
Drexel Burnham Lambert Goldman, Sachs & Co. E. F. Hutton & Company Inc.  
Lazard Freres & Co. Merrill Lynch Capital Markets Morgan Stanley & Co.  
Prudential-Bache Securities  
Salomon Brothers Inc.  
Smith Barney, Harris Upham & Co.  
A. G. Edwards & Sons, Inc.  
Thomson McKinnon Securities Inc.  
Advest, Inc. Dain Bosworth Gruntal & Co., Incorporated Herzfeld & Stern Inc.  
Janney Montgomery Scott Inc. Ladenburg, Thalmann & Co. Inc.  
McDonald & Company Moseley, Hallgarten, Estabrook & Weedon Inc.  
Piper, Jaffray & Hopwood  
Prescott, Ball & Turben, Inc.  
The Robinson-Humphrey Company, Inc.  
Wheat, First Securities, Inc.

April 3, 1985

## ADVERTISMENT INTERNATIONAL FUNDS

Quotations Supplied by Funds Listed

10 April 1985

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on issue prices. The following symbols indicate frequency of quotation: (d) - daily; (w) - weekly; (bi) - bi-monthly; (q) - quarterly; (a) - annually; (i) - irregularly.

ALMAL MANAGEMENT

(w) ALMAL Trust, S.A. \$15.44

BANK JULIUS BAER & CO. Ltd.

(d) Banker's American \$119.00

(d) Banker's European \$119.00

(d) Banker's Pacific \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00

(d) Banker's Swiss \$119.00



**APR 10**

**NASDAQ National Market Prices**[illegible]

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
*Via The Associated Press*

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.  
*Via The Associated Press*

# Competitors Cite Japan Cargo Line

*Los Angeles Times Service*

WASHINGTON — The entry of a new Japanese cargo airline will seriously erode the ability of U.S. airlines to compete on the busy trans-Pacific route, according to industry officials.

Representatives of Los Angeles-based Flying Tiger Line complained Tuesday to the International Trade Commission that the structure of the new Nippon Cargo Airlines, owned primarily by Japanese shippers and freight forwarders, will unfairly increase Japan's dominance of the huge U.S.-East Asian cargo market.

The officials of Flying Tiger, the largest American cargo carrier flying between the United States and Japan, added that the Japanese already have a complex web of restrictions on U.S. air-cargo carriers doing business in Japan.

"We are willing to do whatever is necessary to be able to compete with any other carrier, U.S. or foreign, provided the competition is fair," Peter Hubbard, Flying Tiger's senior vice president for sales and service, said.

Mr. Hubbard and officials from other air-cargo, ocean-shipping and air-charter companies testified at the commission hearing on how the cargo-transportation industry affects trade between the United States and Japan.

Nippon Cargo sought U.S. approval last year to operate regular flights between Tokyo, San Francisco and New York. The Reagan administration has not yet decided the matter.

Flying Tiger, which operates 19 Boeing 747 jets, told the commission that because Nippon Cargo is owned by major Japanese shippers and freight forwarders that control virtually all of the air cargo originating in Japan, it would likely be assigned an unfair proportion of new air shipments.

Flying Tiger officials also contend that Japanese government guidelines that require Nippon Cargo to cooperate with Japan Airlines could further affect the amount of cargo available to U.S. companies.

Japan Airlines controls nearly 50 percent of the trans-Pacific air-cargo market. U.S. carriers have a 39-percent market share, of which Flying Tiger has 27 percent.

Clyde D. Murphy, vice president of international and governmental affairs for Flying Tiger, said in an interview that, without greater flexibility for his company to operate in Japan, "Ten years from now, we'll be an insignificant part of the marketplace."

(Continued on Page 14)

*Los Angeles Times Service*

**WASHINGTON**—The entry of a new Japanese cargo airline will seriously erode the ability of U.S. airlines to compete on the busy trans-Pacific route, according to industry officials.

Representatives of Los Angeles-based Flying Tiger Line complained Tuesday to the International Trade Commission that the structure of the new Nippon Cargo Airlines, owned primarily by Japanese shippers and freight forwarders, will unfairly increase Japan's dominance of the huge U.S.-East Asian cargo market.

The officials of Flying Tiger, the largest American cargo carrier flying between the United States and Japan, added that the Japanese already have a complex web of restrictions on U.S. air-cargo carriers doing business in Japan.

"We are willing to do whatever is necessary to be able to compete with any other carrier, U.S. or foreign, provided the competition is fair," Peter Hubbard, Flying Tiger's senior vice president, finance and operations, said.

Mr. Hubbard and officials from other air-cargo, ocean-shipping and air-charter companies testified at the commission hearing on how the cargo-transportation industry affects trade between the United States and Japan.

Nippon Cargo sought U.S. approval last year to operate regular flights between Tokyo, San Francisco and New York. The Reagan administration has not yet decided the matter.

Flying Tiger, which operates 19 Boeing 747 jets, told the commission that because Nippon Cargo is owned by major Japanese shippers and freight forwarders that control virtually all of the air cargo originating in Japan, it would likely be assigned an unfair proportion of new air shipments.

Flying Tiger officials also contend that Japanese government guidelines that require Nippon Cargo to cooperate with Japan Airlines could further affect the amount of cargo available to U.S. companies.

Japan Airlines controls nearly 50 percent of the trans-Pacific air-cargo market. U.S. carriers have a 39-percent market share, of which Flying Tiger has 27 percent.

Cyril D. Murphy, vice president of international and governmental affairs for Flying Tiger, said in an interview that, without greater flexibility for his company to operate in Japan, "Ten years from now, we'll be an insignificant part of the marketplace."

## International S.A.

Condensed  
Balance Sheet  
as per  
December 31,  
1984

ASSETS	in millions of DM	previous year
Amounts due from banks	3,638.8	3,581.5
Loans and advances to customers	6,464.2	6,611.1
Securities	464.9	391.7
Other assets	418.7	337.9
	10,986.6	10,922.2
<hr/>		
LIABILITIES	in millions of DM	previous year
Amounts due to banks	9,228.2	9,436.1
Current deposits and other accounts	723.3	563.6
Other liabilities	277.6	275.6
Share capital	125.5	125.5
Reserves	214.3	199.0
Provisions	405.1	309.7
Profit	12.6	12.7
	10,986.6	10,922.2

The unabridged annual statement as well as the profit and loss accounts will be published in the "MEMORIAL, Amtsblatt des Grossherzogtums Luxemburg, Ausgabe C" (Official Gazette of the Grand Duchy of Luxembourg, edition C)

**WestLB International S.A.**  
32-34, boulevard  
Grande-Duchesse Charlotte  
P.O. Box 420  
L-2014 Luxembourg  
Telephone: 44 74 11

Subsidiary of  
Westdeutsche Landesbank  
Girozentrale.  
Düsseldorf/Münster

**SUBJECTS AND MATERIALS:**

\_\_\_\_\_

11

Age Group	Total (%)	Female (%)	Male (%)	Unknown (%)
18-24	100	85	15	0
25-34	100	75	25	0
35-44	100	85	15	0
45-54	100	75	25	0
55-64	100	85	15	0
65+	100	75	25	0

100

1

1

•

•

1

The  
bune confere  
ment Opportu

or keen interest  
cerned about fu  
between East and  
Spe

conference will

... ..

\_\_\_\_\_

# A CONFERENCE ON TRADE AND INVESTMENT OPPORTUNITIES

**BUDAPEST, JUNE 13-14 1985.**

The International Herald Tribune conference on "Trade and Investment Opportunities in Hungary" will be of keen interest to any executive concerned about future economic relations between East and West.

Speakers at this landmark conference will include Hungarian

government ministers, business leaders, bankers and economists.

For further information,  
please contact the International Herald  
Tribune conference office, 181, avenue  
Charles de Gaulle, 92521 Neuilly Cedex  
France. Tel.: 747 1265. Telex: 613 595 F.

**CAMEL**  
**FILTERS**

**CAMEL**  
**FILTERS**  
TUBEROSE BLEND  
CIGARETTES

The world's fastest growing international brand.  
It's a whole new world.



## Irish Distillers: Hanging On to Niche

By Barnaby J. Feder  
New York Times Service

MIDLETON, Ireland — Although some Irish distillers give up whiskey for Lent, Irish Distillers Group PLC does not normally stop producing and distributing it. This year, though, a labor dispute shut down the distilling complex on the rolling outskirts of this town just east of Cork from the beginning of the pre-Easter religious observance in February until last Wednesday.

The confrontation began when Distillers, which produces all Irish whiskey in the Republic and the six British-controlled counties of Northern Ireland, tried to cut down the trucking costs by laying off drivers and reorganizing deliveries. The drivers could not accept that a company enjoying record sales and profits needed to resort to such stringent cost cutting.

Distillers was willing to take the six-week strike — before accepting a compromise that met at least some of its demands — because company officials have an entirely different perspective.

To be sure, Distillers — the country's fifth-largest company — is relatively prosperous. However, company executives regard the concern as a minnow marshaling all of its resources to defend a strong — but tiny — home market while expanding its barely measurable niche in a competitive world dominated by other spirits.

"I had an image of a very settled industry because it's been going on for hundreds of years," said James Twomey, the executive Distillers picked from a nearby Mitsu Chemicals plant to manage the complex here in 1982. "Actually, there's much more change going on here than at Mitsu."

All of the change — marketing initiatives, new product development and restructuring of distribution — is aimed at recapturing past glory. Exports account for 60 percent of Distillers' sales, which totaled \$171 million last year, but Irish whiskey claims just 2 percent of the world whiskey market.

And in the United States, which by far is the world's largest whiskey market, Irish whiskey last year sold the equivalent of 350,000 cases — just five-tenths of 1 percent of the whiskey total.

Ireland dominated the whiskey trade in the 19th century, but a number of factors have eroded that preeminence, including the destructive effects of years of domestic strife as Ireland fought for its independence from Britain.

Prohibition in the United States dealt another blow. Sales of the spirit plummeted and its image was tarnished as bootleggers began selling concoctions that they advertised as Irish whiskey but which bore little resemblance to the real product.

To make matters worse, Irish distillers did not foresee the end of Prohibition. Unlike the Scots, they had little set aside to offer the American market when the ban was lifted. With a product that takes 7 to 15 years to age before it can be sold, a quick recovery was impossible.

The important turning point came in 1966 when the surviving distillers in the Republic merged to form the current company. By then, they had not only lost most of their export market but faced a new import threat from European distillers and brewers as Ireland prepared to join the European Community and pull down protective trade barriers.

"They decided to pool their resources and have a go," said Richard Burrows, the 38-year-old managing director who runs the company from Dublin.

Another major piece fell into place between 1972 and 1974. It was then that Distillers acquired Old Bushmills, the last surviving distiller in Northern Ireland, from Charrington, the British brewer, in an accord in which Seagrams of Canada acted as intermediary and ended up with a 14-percent stake in Distillers.

Seagrams today acts as importer in North America for Jameson whiskeys, Distillers' leading brand in the American market, and is a frequent partner in the exchange of technical information, according to Mr. Burrows.

Industry analysts believe Distillers is finally on the right track. While Scotch whiskey sales have slipped in the United States and other world markets, the sales of the Irish spirit have managed to expand. And while 18 percent of Irish whiskey is still sold around St. Patrick's Day (this year's supplies were shipped before the strike), Distillers maintains that year-round consumption is expanding.

It has not been easy. Distillers has endured a one-third decline in its home market since 1979 largely due to the imposition of high liquor taxes. Some Irish drinkers cut back while others turned to Scotch and other spirits they could smuggle across the border with Northern Ireland.

"Our competition is the whole premium end of the drinks market, and that includes not just premium Scotch but high quality gin, vodka, and Cognac," said Mr. Burrows.

## Japan Said to Set Export Levels for 3 Automakers

Reuters

TOKYO — Ministry of International Trade and Industry officials have described as speculation a report that it has proposed limiting car-export increases to the United States to 13 percent or less for three large Japanese automakers.

The newspaper Nihon Keizai Shimbun, citing informed sources, said MITI proposed raising the limits by 11 percent to 13 percent for Toyota Motor Corp., Nissan Motor Co. and Honda Motor Co. in the year that began April 1.

The newspaper said that meant MITI would give larger increases to smaller automakers that have contracts to sell cars to U.S. auto companies. It said, MITI was expected to make its quota proposal to five smaller automakers later.

Company spokesmen said they knew nothing of any proposal. MITI officials said they had not decided on new allocations for the eight automakers.

The Japanese government has increased the ceiling on car shipments to the United States by 24.3 percent to 2.3 million in the year that began April 1.

## Astra Doesn't Plan New-Share Issue for London

By Juris Kaza  
International Herald Tribune

SODERTALJE, Sweden — Astra AB, Sweden's largest pharmaceutical company, plans its already announced listing on the London Stock Exchange, set for May, solely for its existing shareholders in Britain and not to raise new capital, said Ulf Widengren, president and chief executive.

"For normal business development, we don't need any [more] money," said Mr. Widengren in an interview. He indicated that the purpose was to raise the pharmaceutical company's visibility by listing it on the London exchange.

As previously reported, Astra's 1984 pretax earnings rose 27 percent to \$222 million (about \$90 million) from 1983's \$173 million, while sales rose 10 percent to 3,911 billion kronor from 3,566 billion kronor. Group profit as a percentage of sales grew to 21 percent from 17 percent last year, while research spending increased 22 percent to 717 million kronor.

For 1985, earnings and sales were expected to grow about 12 percent each, Astra said at the end of February.

Some market observers said that it would be a waste for Astra to get listed in London without a simultaneous new-share issue for that market. About 20 percent of Astra capital consists of "free" shares that can be owned and traded by

non-Swedes. Observers have said that, based on earnings potential and a relatively low price-earnings ratio, Astra could attract a considerable number of new foreign investors if it issued such new shares.

"They have a very interesting and varied research program," said Linda Tremaine, a pharmaceutical analyst at London's E.B. Savory Miln. "Over the next few years, that should produce a stream of clinically interesting products in commercially interesting areas."

"We have about 2 billion kronor in cash," Mr. Widengren, Astra's president, said. "The only justification to raise capital would be an acquisition abroad of such a size and price that the issue would be justified. We don't see any company that we are interested in now, but with a listing in the U.K., if the opportunity should come up, we can take quicker action."

Despite the company's record, Astra shares have been volatile in response to what were perceived by the market as setbacks for some of Astra's most promising products. Astra stock closed Wednesday at 385 kronor a share on the Stockholm Stock Exchange. But, as a sign of the stock's recent volatility, Astra was trading around 430 in early February.

In 1983, Astra had withdrawn its antidepressant drug zimelidine, marketed as Zelmid, after unexpected neurological side effects showed up, and in 1984, clinical trials of omeprazole, an ulcer drug, were suspended temporarily. Recently, Swedish authorities permitted resumption of omeprazole trials in what was seen as a major advance for bringing Astra's ulcer remedy to the market.

"Omeprazole was well known," he said. "Its healing properties were so spectacular compared to major drugs on the market. We saw healing (of ulcers) in half the time, and we could also heal people who were non-responders to Tagamet." Tagamet is a widely used ulcer treatment.

The drug was withdrawn from clinical trials for further investigation of certain toxicological findings, but Mr. Widengren stressed that "what happened to omeprazole, there has been so much publicity. We also thought that we should tell the public that it's just not that easy, that new drugs simply don't come along."

Ms. Tremaine at Savory Miln remarked that delays in the development of promising drugs are one of the cycles that a company goes through. For Astra, it's just bad luck that a couple of events came so close together. There's no way you can say they have bad management or poor clinical trials, they were just very unfortunate."

As for market reaction, Mr. Widengren said that oversimplified

"good news" could also contribute to share-price volatility.

He said that as part of its research into antiviral drugs, Astra was investigating possible cures and remedies for herpes infections, and for acquired immune deficiency syndrome, or AIDS, both caused by viruses. In view of the publicity associated with certain illnesses, the Astra president asserted that it was important to be low-key in discussing research and discoveries that could take many years to turn into a product.

Mr. Widengren explained that besides antiviral drugs, the other main areas of Astra's research were gastrointestinal and cardiovascular ailments. "In the short term, we have a calcium blocker coming, an anti-hypertensive drug that is a complement to the beta blocker," he said. "Calcium blockers have been on the market for some time, but this will have some unique properties in controlling hypertension."

He also predicted that omeprazole, the ulcer-healing agent, will "quickly be on the market, in late '86 or '87, once we resume clinical trials."

While, he said, other Swedish companies searched for biological substances with therapeutic applications, Astra's approach "is that we go from the disease to the drug. We understand a disease in depth and then we try to make or find a molecule that will cure it."

## Company Earnings

Revenue and profits, in millions, are in local currencies unless otherwise indicated

New Zealand			
Wattie Ind.	1st Qtr.	1984	1985
Revenue	240.2	240.2	240.2
Profit	24.0	24.0	24.0
United States			
Amer. Security	1st Qtr.	1984	1985
Revenue	240.2	240.2	240.2
Profit	24.0	24.0	24.0
Non Dollar			
1st Qtr.	1984	1985	1986
Revenue	240.2	240.2	240.2
Profit	24.0	24.0	24.0

## Recession May Be Bullish For Stocks

(Continued from Page 9)

said the key to an advance by stocks will be "superior performance" in the bond market.

"Until then, we could well be buffeted by the crosscurrents of disappointing earnings and sagging confidence about the 1986 outlook," he said. "The long-term case for equities remains impressive, but it is overwhelmingly a valuation case dependent on both lower rates and an extended cycle."

Michael Ponsbach, partner in charge of Stockholm's Jacobson & Ponsbach brokerage firm, also sees a period ahead of rest and recuperation for investors worldwide. "There's just a general lack of interest now about stock markets, from Wall Street through Europe and including Japan," he said.

## Budd Uncouples Rail-Car Unit in Pursuit of Profits

(Continued from Page 9)

ever-changing political body is a treadmill to oblivion," said James H. McNeal Jr., Budd's president and chief executive.

Mr. McNeal, who has been with Budd since 1951, obviously is much happier selling auto and truck products to the Big Three automakers.

He said that Transit America represented only 20 percent of Budd's business even in its years of highest deliveries and that breaking it off would allow "the problems peculiar to it to be addressed."

The creation of Transit America, Mr. McNeal said, does not "get rid of the problem" of the ailing rail car operation for Thyssen.

Mr. Spethmann, during his New York visit, reiterated that Thyssen might seek partners to invest in the unit.

Transit America, he said, has an order backlog large enough to carry on current activity for 18 to 24 months. "We have always fulfilled our orders," he said.

Thyssen began its diversification drive in 1974, when demand for steel began to slacken.

Four years later, it paid \$295 million for Budd, only to absorb its problems as the American auto industry slumped.

In its fiscal year that ended last September, Thyssen itself returned to profitability with earnings of \$57.2 million. In the period a year earlier, Thyssen had a loss of \$17.7 million.

Thyssen said that a turnaround in its steel business and reduced losses at Budd were responsible for the profits.

The automotive side of Budd actually returned to the black in the fiscal year 1984, Mr. McNeal said, and expects to be profitable in 1985.

Earnings figures were not given. But Siegfried Buschmann, Budd's chief financial officer, said that \$100 million flowed to Budd's bottom line in the fiscal year 1984 although that was not enough to offset rail-car losses and return the entire Budd company to profitability.

Budd posted a loss of \$44 million in the fiscal year 1984, compared with a loss of \$142.8 million the year before.

Mr. McNeal, who is a Transit America director, as is Mr. Buschmann, said Transit America would continue to go after the rail-car market under Mr. Wolf.

The United States Transit America said will be the largest single market through the end of the century, with a potential for 400 to 600 rail cars a year for replacements and for new systems.

The question is whether Transit America can be a serious competitor with the foreign manufacturers. Budd is smaller than the company that Thyssen bought.

In 1978, Budd's labor force totaled 21,500. It is now at 14,500. A large stamping plant and other high-cost operations were closed.

"In the downturn we did not sit back," Mr. Buschmann said. "We did a lot of preparation for the next recession. Thyssen gave us the financial support to restructure."

Budd recently has announced a tentative agreement on a new contract with the United Automobile

Workers covering 6,000 workers at a total of six plants in Detroit and Philadelphia.

The company, with \$1.5 billion in sales, is one of the major automotive suppliers, ranking with Borg-Warner Corp., Dana Corp., Rockwell International Corp. and Eaton Corp.

Among its major products are body components of steel and plastic, wheels and brakes, heavy-duty truck and trailer equipment, castings, stampings and the like.

The company also is set up to work from the design stage with customers through to the final hardware.

And Budd has prepared for automakers' renewed demands of on-time deliveries of inventory. "We are converted," Mr. McNeal said.

But he remembered that in the old days, so-called just-in-time inventory delivery was a Detroit practice.

## Shell Australia, BHP Mount Bid For Woodside

Reuters

MELBOURNE — Broken Hill Pty. Co. and Shell Australia Ltd. offered Wednesday an indicated 459 million Australian dollars (\$306.1 million) or 1.60 dollars a share for the 47.4 percent of Woodside Petroleum Ltd. they do not already hold.

The offer, announced in a joint statement, compares with Tuesday's closing price of 1.16 dollars a share. Woodside shares rose to 1.53 dollars on the announcement.

BHP and Shell each now hold 21.3 percent of Woodside's 700 million shares outstanding. The offer is unconditional and payable immediately. BHP and Shell said.

Woodside has advised shareholders not to sell their shares.

# Act by April 30\*

\* That's the date the rates go up.  
By subscribing to the International Herald Tribune now, at our special introductory rates, you will save nearly half the newsstand price on a one-year subscription (48%, to be exact, in most European countries).  
More important, you'll never miss an issue.  
This special introductory rate is 25% less than the regular subscription rate and is applicable only the first time you subscribe. So check the 12-month box below for maximum savings. There is no risk. You can cancel your subscription at any time and receive a full refund on all unserved copies.  
But don't delay. Order now!

## Save up to 50%

To: Subscription Manager, International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France. Telephone: 747.01.23. Telex: 612.832.

Yes, I would like to accept your special offer. Please send me the International Herald Tribune for the time period and at the reduced price circled on this coupon.

Please circle below the reduced subscription price selected. For new subscribers only. (Rates valid through April 30, 1985)

Country	Subscription Price	1 year	6 months	3 months
Austria	1,200	1,200	600	300
Belgium	1,200	1,200	600	300
Denmark	1,200	1,200	600	300
France	1,200	1,200	600	300
Germany	1,200	1,200	600	300
Great Britain	1,200	1,200	600	300
Greece	1,200	1,200	600	300
Ireland	1,200	1,200	600	300
Italy	1,200	1,200	600	300
Japan	1,200	1,200	600	300
Netherlands	1,200	1,200	600	300
Norway	1,200	1,200	600	300
Portugal	1,200	1,200	600	300
Spain	1,200	1,200	600	300
Sweden	1,200	1,200	600	300
Switzerland	1,200	1,200	600	300
Rest of Europe, North Africa, Middle East, Africa, U.S.A., French Polynesia, Middle East	1,200	1,200	600	300
Rest of Africa, Canada, Latin America, Caribbean, Asia	1,200	1,200	600	300

My payment is enclosed (check or money order to the IHT)

Please charge my credit card:

Access ☐ Eurocard ☐

American Express ☐

Mastercard ☐

Diners Club ☐ Visa ☐

CARD ACCOUNT NUMBER: \_\_\_\_\_

CARD EXPIRY DATE: \_\_\_\_\_

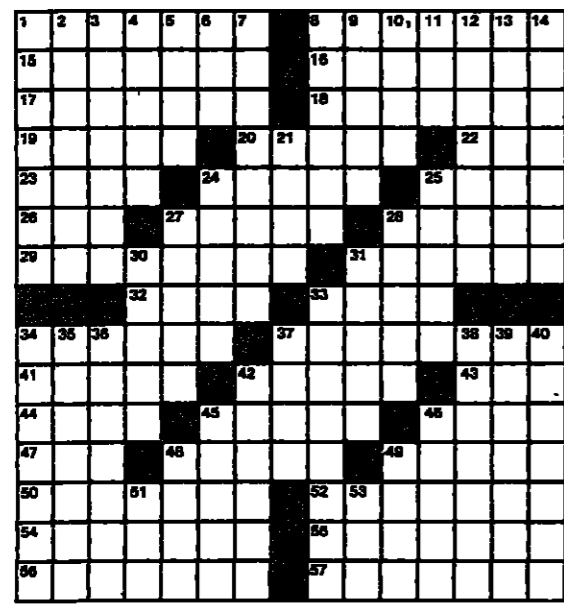
SIGNATURE: \_\_\_\_\_

MY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY: \_\_\_\_\_ COUNTRY: \_\_\_\_\_

TEL: \_\_\_\_\_



- ACROSS**
- Counterpart of fraternal
  - Run-of-the-mill
  - Raise
  - Threatens
  - Guided
  - Blab
  - Purvey
  - Anger
  - Kind of duck
  - Candle
  - More than some
  - Opposite of liver
  - Ben
  - Curriculum
  - Renovates
  - Highway
  - Exclamation of disgust
  - Quote
  - Treats a violin
  - Live with
  - 41 A constellation
  - 42 Fattered
  - 43 Word with power or handle
  - 44 Tard
  - 45 Certain sports events
- DOWN**
- Wall ornament
  - Yielded to
  - Appoints anew
  - Speak
  - 5 Dash
  - 6 Abuse
  - 7 Hairpin
  - 8 Badger
  - 9 Tailor
  - 10 Salacious look
  - 11 Map abbr.
  - 12 Statistics term
  - 13 "Love is..."
  - 14 Rock bass and rudd
  - 15 Imitates
  - 16 Liturgical headpiece
  - 17 Advances made by bankers
  - 18 Performed a civic duty
  - 19 What a partner
  - 20 What an odometer measures
  - 21 At bay
  - 22 Abu Simbel figure
  - 23 Oriental art
  - 24 Kind of bar
  - 25 What some are fit to be
  - 26 Olympics competitor
  - 27 Steak order
  - 28 Does a cryptographer's job
  - 29 Exceeds 55
  - 30 One of the English geology
  - 31 Back Comb. form
  - 32 Kind of walk or
  - 33 Trinitrotoluenol
  - 34 Trinitrotoluenol, for short
  - 35 Poetic palindrome

© New York Times, edited by Eugene Malachuk.

## DENNIS THE MENACE



"LOOK! THERE'S VENUS AND THE BIG DIPPER... AND..."

"WE'RE ONLY INTERESTED IN SHOOTIN' STARS, MISS."

## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SMUNI

LEAGE

LINCOU

BORBEJ

Answer here: VERY

Yesterday's Jumbles: FAULT BLESS ATTACH EVOLVE

Answer: Why you might consult a plastic surgeon—TO SAVE FACE

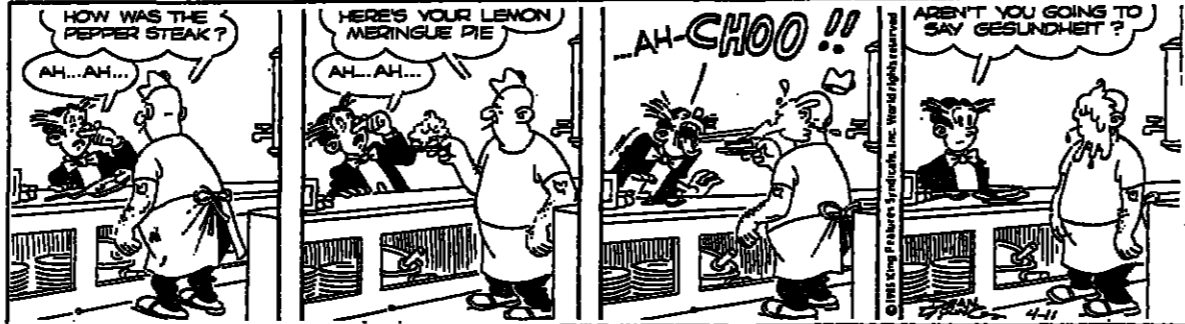
## WEATHER

EUROPE				ASIA			
	HIGH	LOW			HIGH	LOW	
Algeria	15	8		Bangkok	32	24	
Austria	11	5		Beijing	16	4	
Berlin	12	5		Bombay	31	25	
Bombay	31	25		Buenos Aires	21	15	
Buenos Aires	21	15		Calcutta	31	25	
Calcutta	31	25		Chennai	31	25	
Chennai	31	25		Colombo	31	25	
Colombo	31	25		Dhaka	31	25	
Dhaka	31	25		Hankow	15	8	
Hankow	15	8		Harbin	15	8	
Harbin	15	8		Hong Kong	25	18	
Hong Kong	25	18		Kobe	15	8	
Kobe	15	8		London	15	8	
London	15	8		Manila	25	18	
Manila	25	18		Medan	31	25	
Medan	31	25		Osaka	15	8	
Osaka	15	8		Seoul	15	8	
Seoul	15	8		Singapore	31	25	
Singapore	31	25		Taipei	25	18	
Taipei	25	18		Tokyo	15	8	
Tokyo	15	8					

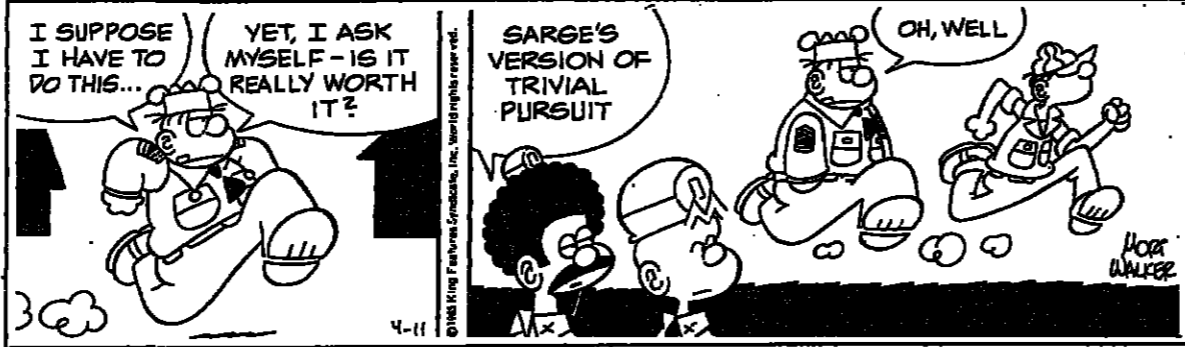
## PEANUTS



## BLONDIE



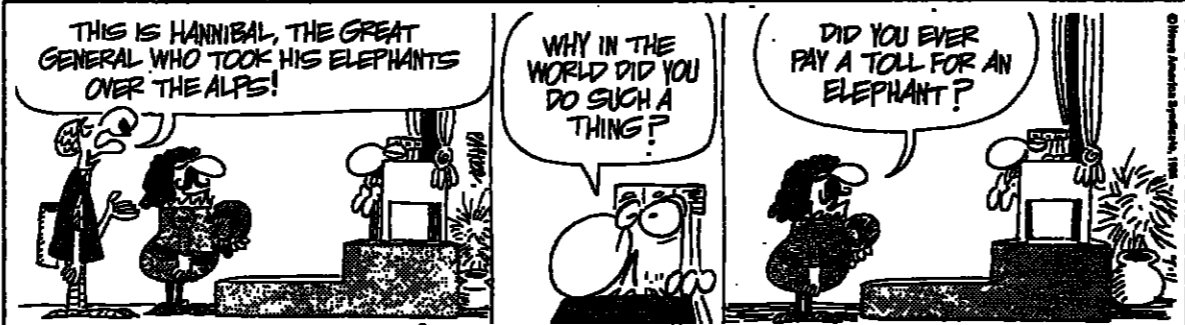
## BEETLE BAILEY



## ANDY CAPP



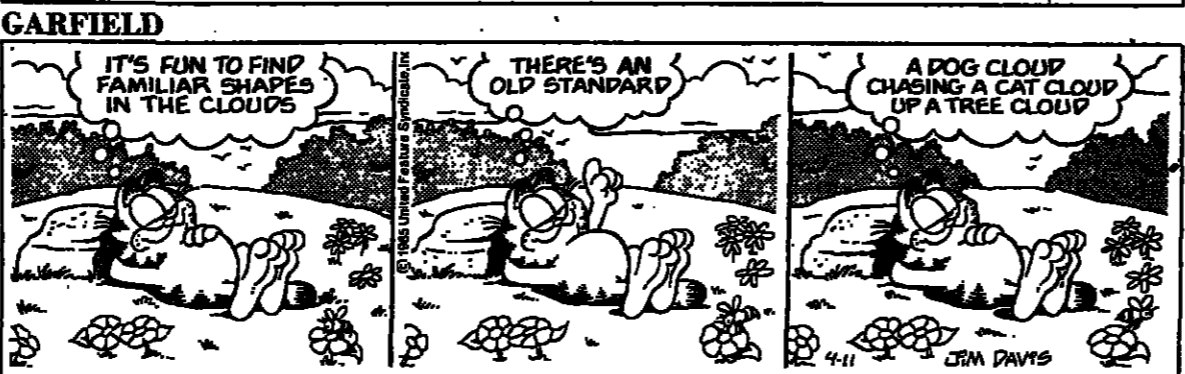
## WIZARD OF ID



## REX MORGAN



## GARFIELD



## World Stock Markets

Via Agence France-Presse April 10

Closing prices in local currencies unless otherwise indicated.

Amsterdam				Frankfurt			
	Close	Prev.			Close	Prev.	
ABN	200	198	Amst. 100	100	100	100	100
ABN 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100

Paris				Tokyo			
	Close	Prev.			Close	Prev.	
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100

## CONTINENTAL DRIFT

By Russell Banks. 366 pp. \$17.95.  
Harper & Row, 10 East 53d Street,  
New York, N. Y. 10022.

Reviewed by Michiko Kakutani

"THIS is an American story of the late 20th century," writes Russell Banks in the Faulknerian invocation that opens "Continental Drift," and this remarkable novel goes on to fulfill that ambitious introduction—in the largest sense. Sweeping in narrative and fragmenting in its depiction of fragmented characters, "Continental Drift" accelerates like a fast, sleek railroad train to its swift conclusion. But Banks's sure command of plot proves to be only one of many novelistic tools employed in the service of a larger vision.

Like Graham Greene and Robert Stone, Banks is concerned with moral ambiguities and their consequences on ordinary lives, and his tale of how one man named Bob Dubois went in search of a better life and got in over his head becomes, at once, a visionary epic about innocence and evil and a shattering dissection of contemporary American life.

At 30, Bob Dubois has a wife whom he loves, two daughters and another child on the way. All his life, he's lived in Catamount, New Hampshire, and since high school he's worked as a repairman for the Abenaki Oil Co. "He sneaks into his car at night, he doesn't put in for time he didn't work, he doesn't drink on the job." He owns a run-down duplex in a working-class neighborhood, a 13-foot Boston whaler he built from a kit, and a battered Chevrolet station wagon, and he owes the local savings and loan—for the house, the boat and the car—a little over \$22,000. "We have a good life. We do," his wife, Elaine, keeps telling him.

Although Catamount may, at first, recall Bedford Falls, the setting of "It's a Wonderful Life," that surface image soon dissolves into another—an image more reminiscent of an Edward Hopper painting. There's something somber, depressed and even vaguely menacing about this community "closed in by weather and geography, where the men work at jobs and the women work at home and raise children and there's never enough money," where "the men and the women tend to feel angry toward one another much of the time, especially in the evenings when the work is done and the children are sleeping and nothing seems improved over yesterday."

One of the reasons "Continental Drift" possesses such emotional resonance is that Banks makes the tenuousness of contemporary life—our fears of not being able to hold onto our dreams and protect the people we love—seem entirely palpable, a byproduct of our individual failings and our susceptibility to all the changes wrought by recent history's manic metabolic rate. While the scope of "Continental Drift" is huge—the author wants to do nothing less than capture American life as it exists today—it remains, somehow, acutely personal: in the story of Bob Dubois's sad, brief life, we catch a frightening glimpse of our own mortality.

## BOOKS

Bob is no exception. Never having really grown up, Bob finds it hard to know right from wrong; instead, "he relies on taboos and circumstances to control his behavior, to make him a 'good man'—and lately, he's begun to feel even more confused and disconnected. He hates his humdrum life, feels trapped and angry that none of the dreams he grew up with are likely to come true. He feels there are two Bob Dubois: the version he's invented for the real world—a man "who's dutiful, prudent, custodial, faithful and even-tempered;" and another, secret self—a man who's "feckless, reckless, irresponsible, faithless and irrational."

So far, there's not much to distinguish Bob Dubois from the host of disaffected characters who people the fiction of Raymond Carver, Bobbie Ann Mason and Mary Robison; not-so-young survivors of the dislocations of the '60s, afflicted with vague existential doubts and given to drifting, absently, from day to day. Bob, however, determines to try to make a new life for himself—to start again; and one fine day, he abruptly picks up his family and moves to Florida, where he's soon drawn into partnership with his fast-talking brother, Eddie, and with Ave, a childhood pal who's making a bundle running drugs.

For Banks, Florida is what California used to be for Raymond Chandler and Nathaniel West—a seedy, dangerous place, a magnet for dreamers, entrepreneurs and people with no place else to go. It's the final frontier, where all that's left of the old pioneer spirit is a sort of lawlessness and "me-first" individualism, where those willing to play fast and dirty can get rich quick; but where other, more tentative folk, like Bob Dubois, see their dreams disintegrating in damp, pastel-colored trailer parks. Bob, in fact, discovers that his life has slidded out of control in Florida. By moving there, he hasn't lassoed the bright future he fantasized about; he's only succeeded in losing his past—the job, the house, everything that once gave his life a modicum of coherence and meaning.

To refugees from the Caribbean, however, Florida still represents the promised land, the tip of the American dream, its palm trees whispering "luxury and power." And in a series of alternating takes that counterpoint the story of Bob Dubois, Banks tells the tale of a young Haitian woman named Vannie, who literally risks everything to get to Miami. Because Vannie's inner life is never delineated with the care lavished on Bob's, the reader sometimes feels the author straining to use her as a metaphor for the yet unspoken immigrant dream. All the same, the collision between her life and Bob's is so powerfully orchestrated that it takes on the terrible inevitability of real life, and it lingers in our mind long after we finish the novel.

One of the reasons "Continental Drift" possesses such emotional resonance is that Banks makes the tenuousness of contemporary life—our fears of not being able to hold onto our dreams and protect the people we love—seem entirely palpable, a byproduct of our individual failings and our susceptibility to all the changes wrought by recent history's manic metabolic rate. While the scope of "Continental Drift" is huge—the author wants to do nothing less than capture American life as it exists today—it remains, somehow, acutely personal: in the story of Bob Dubois's sad, brief life, we catch a frightening glimpse of our own mortality.

Michiko Kakutani is on the staff of The New York Times.

## BRIDGE

By Alan Truscott

ON the diagrammed deal South was astonished to hear an opening bid of six clubs on his right. Even his long experience in the game had not given him much practice in this situation, and he had to think a little when his partner repeated with a double.

Doubles at the six-level are not for take-out, but this one is not defined in any textbook. East was looking quietly confident, but was deflated when South ventured to bid his hearts. He has decided correctly that East knew what he was doing and had a completely freak distribution.

It would seem that six hearts doubled was due to fail by five tricks, which would be 900 against the 920 available to East-West pairs at other tables.

In practice, however, West misdefended and permitted South to escape for 700.

Six spades would have been better, and North should no doubt have corrected, but even so South collected 11 match points out of a possible 12. He tactfully refrained from pointing out to East a strategy that is usually better with such hands: Bid slowly and hope to be pushed to six clubs.

He knew that East had expected that his brush opening would silence an L.O.L. But he had chosen the wrong L.O.L.

Toronto				Montreal			
	High	Low	Close		High	Low	Close
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100
Amst. 100	100	98	Amst. 100	100	100	100	100

Japan 1.25

## SPORTS

## Flyers Biggest Threat to Oiler Supremacy

By Sam McManis

Los Angeles Times Service

EDMONTON, Alberta — More than just the Stanley Cup seemed to have changed hands last spring when the Edmonton Oilers defeated the four-time defending champion New York Islanders in the National Hockey League championship series.

It seemed hockey itself would undergo a dramatic change in style, as one dynasty gave way to another on its way. Edmonton's convincing five-game victory was a triumph of speed and finesse over the bumpy and grind game that had made the Islanders and others so successful over the years.

The sleek, it appeared, were about to inherit the ice.

Yet here it is the start of the 1984-85 playoffs, and that hasn't happened. The Oilers may not be the dynamic force they seemed after last season, and most of their challengers have not really changed to Edmonton's streamlined style of hockey.

Since it holds the cup and still has the profile, Wayne Gretzky, Edmonton is the logical choice to repeat. But unlike recent seasons, there are several teams that could win the championship.

Regular-season results can mean little once the playoffs begin. Ask the Philadelphia Flyers, the team many view as the top contender. The Flyers have compiled the NHL's fourth-best record over the last three seasons, but have been swept in the first round of the playoffs each year.

This season, the Flyers are the surprise champions of the Patrick

Division, finishing with a league-leading 113 points. It doesn't seem possible Philadelphia will continue its playoff drought — they are 0-for-9 going into Wednesday's first round.

In the past, the Flyers won by outmuscling, outworking and outpunching opponents. This season, under rookie Coach Mike Keenan, they have added youth and speed without wholly abandoning their grinding style. The result was a 53-

20-7 record that surprised even the skeptics.

With an average age of 24.5, Philadelphia has the youngest team in the league. Center Tim Kerr, 25, has become the star and leader the Flyers needed after Bobby Clarke retired to become general manager. Kerr scored more than 50 goals for the second straight season. Brian Propp, with 43 goals, and Captain Dave Poulin, with 30, also supplied offensive strength.

Goalender Pelle Lindbergh, who won 40 games and had a 3.02 goals-against average, has headed a defense that gave up the third-fewest goals in the league.

Edmonton is probably hoping the Flyers don't make it to the championship series. In the last eight games between the teams, the Flyers have a 7-0-1 record.

But if the Flyers fail again, others are capable of challenging Edmonton.

Any of three Adams Division teams — Montreal, Quebec and Buffalo — could challenge Edmonton.

It seems remote, but there's a chance the Oilers won't make it out of the Campbell Conference. Every Smythe Division playoff team, except Los Angeles, had more points than any Norris Division team.

Gretzky has said the first two playoff rounds against Smythe teams could be the Oilers' toughest.

**PATRICK DIVISION**

Two seasons ago, Philadelphia played the New York Rangers in a first-round series that didn't figure to be close. It wasn't. The underdog Rangers won in a sweep. It's doubtful that the Rangers, who had their worst season in 10 years, will give the Flyers a problem this time.

Philadelphia figures to be involved in a much tougher clash against the winner of the Washington-New York Islanders series. Based on the standings, the Capitals have to rate as the favorite, since they finished 15 points ahead of the Islanders. But after playing most of the regular season without a set lineup because of injuries, New York is close to full strength.

Forwards Clark Gillies, Bob Bourne, Brent Sutter and Pat LaFontaine are back and producing after having gone through assorted injuries and ailments.

Washington has lost to the Islanders the last two seasons' playoffs, but it was thought the Capitals had matured to the point where they might be ready to overtake New York. In recent weeks, though, their weaknesses have been exposed. The Caps rely almost strictly on Mike Gartner (102 points) and Bobby Carpenter (95) for scoring. Rod Langway, last season's Norris Trophy winner as best

defenseman, has been sub-par, and Coach Bryan Murray still hasn't decided whether to go with Pat Riggin or Al Jensen in goal.

**ADAMS DIVISION**

This group produced the most suspense during the regular season, and the first two rounds of the playoffs also should be close.

Montreal swept Boston in the first round last year, when the roles were reversed — the Bruins had finished first and the Canadiens fourth. The Canadiens seem to have enough offensive firepower to win, but their young defense may break down in later rounds.

Quebec has a goaltending problem. Richard Sevigny was bombed in a 7-2 loss to Montreal last week. Dan Bouchard has been a disappointment all year and Mario Gosselin is a rookie. The Nordiques have an explosive offense, however, led by the line of Peter Stastny, Anton Stastny and Michel Goulet.

But Buffalo has the division's best defense and goaltender, Tom Barasso. If the Sabres can muster enough offense, they can beat the Nordiques and the Canadiens.

**SMYTHE DIVISION**

Although Edmonton breezed through the regular season, their task won't be that easy in the playoffs. Last spring, Calgary took the Oilers to seven games in the second round before the Oilers overcame a third-period deficit and won a series that was dubbed The Battle of Alberta. There will be a sequel if the Oilers beat Los Angeles, as expected, and the Flames get past Winnipeg in the first round.

The Calgary-Winnipeg matchup should be close. Although Winni-



Pelle Lindbergh's standout goaltending has been a major reason for the Flyers' success under rookie Coach Mike Keenan.

ipeg finished two points ahead of Calgary for second place, the Flames this year were an impressive 1-5-2 against the Jets (and are 18-4 over the last three seasons).

Except against Calgary, however, Winnipeg has been all but unbeatable during the last two months. The Jets went undefeated in their last 13 games and finished with the league's fourth-best record.

Calgary goaltender Reggie Le-

min has a clear edge over his Winnipeg counterpart, Brian Hayward. Lemelin has been steady all season and is supported by an experienced defense that allowed 30 fewer goals than Winnipeg's.

**NORRIS DIVISION**

In the final two months of the season, Chicago played as well as any team in the Campbell Conference. If the Black Hawks can control Detroit's high-scoring line of Steve Yzerman, John Oroski and Ron Duguay, they will stop the Red Wings.

Chicago's line of Denis Savard, Steve Larmer and Al Secord is as good and intimidating as any in hockey. Doug Wilson, perhaps the NHL's best two-way defenseman, stabilizes a defense that has been shaky because of goaltender Murray Banner's unusually inconsistent play. The Red Wings defense is weak, but Greg Stefan has been the division's best goalie.

St. Louis is favored to get past struggling Minnesota even though the North Stars have two players — Paul Holmgren and Craig Harris — back from injuries. If the Blues do advance, however, their lack of depth would hurt them against Chicago. Because of injuries to Doug Wickens, Kevin LaValle and others, St. Louis has been forced to play nine left wings on its top line of Bernie Federko and Joe Mullen.

St. Louis is favored to get past struggling Minnesota even though the North Stars have two players — Paul Holmgren and Craig Harris — back from injuries. If the Blues do advance, however, their lack of depth would hurt them against Chicago. Because of injuries to Doug Wickens, Kevin LaValle and others, St. Louis has been forced to play nine left wings on its top line of Bernie Federko and Joe Mullen.

## Seaver Wins Record 15th Opening-Day Start, 4-2

Compiled by Our Staff From Dispatches

MILWAUKEE — Tom Seaver doesn't chug along as fast as he once did, but he still had enough steam to pitch his 15th Opening Day start.

The three-time Cy Young Award winner made a major league record 15th opening-day start here Tuesday, and it was vintage Seaver. Starting his 19th season, the 40-year-old right-hander gave up two

runs on five hits, two walks and struck out three over 6½ innings in pitching Chicago to a 4-2 victory over Milwaukee in both teams' season opener.

The opening-day start broke the mark held by Hall of Famer Walter Johnson and produced Seaver's 29th career victory.

"Sure it's nice," he said of surpassing Johnson's record, "but now that we've won it's much more significant. The thing about being the starting pitcher in the opener is to get the club off on the right foot," said Seaver, who has a 7-1 record in season openers. "That's the way I've always felt."

With the White Sox leading 3-0, in the seventh inning, Seaver uncoiled two wild pitches, leading to two Brewer runs. That was a signal he had run out of gas. "I was a little fatigued," said Seaver after giving way to Bob James, who finished up for the Sox. "I was trying to get one more inning out of myself. When I have two wild pitches, I'm tired."

"Seven to 10 years ago, he was completely overpowering — a ram-in-your-face pitcher," said Ted Simmons, Milwaukee's designated hitter. "But he made the transition from power to finesse pitcher. He used to throw a straight fastball

and slider. Now he has six pitches. How do you know what you're going to get?"

Rookie Darryl Boston drove in one run and scored another for the winners. The Brewers committed five errors; three of Chicago's runs were unearned.

**Twins 6, Angels 2**

In Anaheim, California, Tom Brunansky hit a three-run home run and Mickey Hatcher added a two-run homer to lift Minnesota over California, 6-2. Starter Frank Viola allowed four hits over 7½ innings to gain the victory, while Ron Davis went the rest of the way for the Sox. Brunansky's shot came in the eighth inning off Mike Witt, who had pitched a perfect game in his final start of 1984.

**Mariners 6, A's 3**

In Seattle, Al Cowens drove in two runs with a triple and two singles to lift the Mariners to their fourth straight season-opening victory, a 6-3 decision over Oakland. Winner Mike Moore pitched seven

innings.

**Mets 6, Cardinals 5**

In the National League, in New York, Gary Carter made his debut in a New York uniform as a home run off hitting a one-out home run off Neil Allen in the 10th to give the Mets a 6-5 victory over St. Louis. Carter, a All-Star acquired from Montreal in the off-season, went 2-for-4 and twice was hit by pitches. It was New York's 10th opening-day triumph in 11 years.

Jack Clark, an off-season acquisition of the Cardinals, homered and also drove in the tying run in the ninth, when he drew a bases-loaded walk from reliever Doug Sisk. Dwight Gooden, the league's rookie of the year last season, started for the Mets and went six in-

nings, allowing six hits, three runs and striking out six.

**Cubs 2, Pirates 1**

In Chicago, Rick Sutcliffe and Lee Smith combined on a six-hitter and Keith Moreland drove in two runs to lift the Cubs over Pittsburgh, 2-1. Sutcliffe, last year's Cy

Young Award winner, set a franchise record by winning his 15th straight game over two years; Ed Reulbach won 14 straight for the Cubs in 1909. Moreland had a run-scoring single in the first and homered off Rick Rhoden to lead off the fourth.

**Giants 4, Padres 3**

In San Francisco, Chris Brown delivered a one-out RBI single in the ninth to give the Giants a 4-3 verdict over San Diego. Brown's hit made a winner of veteran Vida Blue for the first time since 1982. Blue, out of baseball for over a year after a drug conviction, entered the game in the ninth and squelched an uprising after the Padres had tied, 3-3. Jeff Leonard started the San Francisco ninth with a single off reliever Luis Delcel and moved to second on a sacrifice by Bob Brenly before Brown laced his game-winning hit to left.

**Braves 6, Phillies 0**

In Philadelphia, starter Rick Mahler pitched seven innings and Dale Murphy drove in two runs with two singles to spark Atlanta's 6-0 triumph over the Phillies. Mahler allowed three hits in helping Eddie Haas, the Braves' new manager, notch his first major-league victory.

**Astros 2, Dodgers 1**

In Houston, Nolan Ryan and Frank DiPino combined on a four-hitter to lead the Astros past Los Angeles, 2-1. Ryan retired 16 of 17 batters from the second inning through the seventh, after which DiPino came on. Ryan struck out four batters to increase his all-time leading total to 3,878, three ahead of Philadelphia's Steve Carlton. The victory was Houston's first on opening day since 1980. (UPI, AP)

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

**West Division**

**Baseball**

**Major League Standings**

**AMERICAN LEAGUE**

**East Division**

**West Division**

**NATIONAL LEAGUE**

**East Division**

